

lish daylight-saving time for any year by concurrent resolution; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWIN ARTHUR HALL:

H. R. 1956. A bill to eliminate financial worry and to make easier the repayment of debts and obligations already assumed by any person serving in the Armed Forces of the United States; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 1957. A bill to equalize the retirement benefits payable to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL:

H. R. 1958. A bill to provide reduced fares for members of the Armed Forces traveling in uniform at their own expense; to the Committee on Interstate and Foreign Commerce.

By Mr. SCRIVNER:

H. R. 1959. A bill to amend section 1804, title 26, United States Code, to make it inapplicable when a State or political subdivision thereof is designated as the insured; to the Committee on Ways and Means.

By Mr. SHEPPARD:

H. J. Res. 127. Joint resolution granting the consent of Congress to joinder of the United States in suit in the United States Supreme Court for adjudication of claims to waters of the Colorado River system; to the Committee on the Judiciary.

By Mr. JAVITS:

H. Con. Res. 40. Concurrent resolution favoring an organization for far-eastern cooperation; to the Committee on Foreign Affairs.

H. Con. Res. 41. Concurrent resolution to favor a Pacific Pact and United States participation therein; to the Committee on Foreign Affairs.

By Mr. MANSFIELD:

H. Con. Res. 42. Concurrent resolution to favor a Pacific Pact and United States participation therein; to the Committee on Foreign Affairs.

By Mr. RIBICOFF:

H. Con. Res. 43. Concurrent resolution favoring an organization for far-eastern cooperation; to the Committee on Foreign Affairs.

H. Con. Res. 44. Concurrent resolution favoring the negotiation of a Pacific Pact; to the Committee on Foreign Affairs.

By Mr. JAVITS:

H. Res. 89. Resolution to appoint a select committee to investigate the adequacy of participation by citizens in public affairs through voting in elections for Federal offices; to the Committee on Rules.

By Mr. HESELTON:

H. Res. 90. Resolution to inquire into the adequacy of fuel supplies in New England; to the Committee on Rules.

By Mr. KERSTEN of Wisconsin:

H. Res. 92. Resolution opposing the admission of Communist China to membership in the United Nations; to the Committee on Foreign Affairs.

By Mr. TEAGUE:

H. Res. 93. Resolution creating a select committee to investigate the alleged abuses in the education and training and loan guaranty programs for World War II veterans; to the Committee on Rules.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Colorado, requesting the enactment of legislation providing for the creation of a Department of Natural Resources, the establishment of regional or branch offices of that and other Federal departments and agencies, and for the loca-

tion of a United States Military Academy of the Air in Colorado; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of California, relating to aid to our enemy; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 1960. A bill for the relief of Erika Nicolo and her minor child; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H. R. 1961. A bill for the relief of Guy Christian; to the Committee on the Judiciary.

By Mr. BEAMER:

H. R. 1962. A bill for the relief of Wanda R. Barnett; to the Committee on the Judiciary.

By Mr. BONNER:

H. R. 1963. A bill for the relief of Frank W. Hess; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 1964. A bill for the relief of Bernard R. Novak; to the Committee on the Judiciary.

H. R. 1965. A bill for the relief of Rodney Eugene Hoover; to the Committee on the Judiciary.

By Mr. BUFFETT:

H. R. 1966. A bill for the relief of Mrs. Dorothy Manious; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 1967. A bill for the relief of Mrs. Margaret G. Cook; to the Committee on the Judiciary.

H. R. 1968. A bill for the relief of Senta Ziegler; to the Committee on the Judiciary.

H. R. 1969. A bill for the relief of Mrs. Edith Abrahamovic; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 1970. A bill to adjust the status of Michael Kroskof-Thomas, who is in the United States and who is a quota immigrant; to the Committee on the Judiciary.

By Mr. GRANAHAHAN:

H. R. 1971. A bill for the relief of Kirocor Haladjian, Tacouhi Haladjian, Gulunia Haladjian, and Virginie Haladjian; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 1972. A bill for the relief of Gerasimos Nicholas Stathatos, and Mrs. Maria Gerasimos Stathatos; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 1973. A bill for the relief of Sanae Iida; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 1974. A bill for the relief of Mary Gemma Kawamura; to the Committee on the Judiciary.

H. R. 1975. A bill for the relief of John E. Paradissis; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 1976. A bill for the relief of Abraham G. Sakin; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 1977. A bill for the relief of Louise Yasoye Nagano Huff; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 1978. A bill for the relief of Mrs. Paula Slucka (Slucki) and son, Ariel Slucki; to the Committee on the Judiciary.

H. R. 1979. A bill for the relief of Rafael Kubelik, his wife, Ludmila Kubelik, and their minor son, Martin Kubelik; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

19. By Mr. TALLE: Petition of Mrs. Dudley Thomas and approximately 3,000 other residents of Dubuque, Iowa, demanding that American troops be withdrawn from Korea; that no American troops be sent abroad to fight communism until Communists within the United States are deported or imprisoned; that the Congress, not the President, shall have ultimate authority in military and political matters; that the exportation of vital materials be prohibited until stockpiles are accumulated in the United States; that the United States refuse economic assistance to all countries that trade with our Communist enemies; to the Committee on Armed Services.

20. By the SPEAKER: Petition of Chester P. Sorenson, executive director, Employment Security Commission of Wyoming, Casper, Wyo., requesting the Congress to enact suitable legislation earmarking all moneys collected under the Federal Unemployment Tax Act for use as funds for Federal and State costs of administering the employment security program; to the Committee on Ways and Means.

21. Also, petition of Leovigildo N. Diapo, municipal mayor, Madalag, Philippines, requesting funds for the reconstruction of school buildings destroyed during the last war; to the Committee on Foreign Affairs.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 24, 1951

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the unshaken foundation of all our hopes and the unfailing source of all our blessings, grant that through the way of prayer we may enter into a deepening experience of Thy presence, peace, and power.

We rejoice that Thou art reminding us continually of the eternal truth that "they who wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint."

Inspire us during this day with a profounder sense of our individual responsibility in the building of a finer social order. Help us to feel that we never see life in the radiant splendor of its greatness and dignity until we interpret its meaning and value in terms of service for God and our fellow men.

We thank Thee for the high and holy privilege and vocation of being coworkers in establishing peace on earth and good will among men.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### AMENDING SECTION 5012 OF THE INTERNAL REVENUE CODE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 87, amending section 5012 of the Internal Revenue Code.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the joint resolution, as follows:

*Resolved, etc., That section 5012 of the Internal Revenue Code (relating to powers of the Joint Committee on Internal Revenue Taxation to obtain data) is hereby amended by adding at the end thereof the following new subsection:*

"(c) Subsections (a) and (b) shall be applied in accordance with their provisions without regard to Reorganization Plan No. 26 of 1950 or to any other reorganization plan becoming effective on, before, or after the date of the enactment of this subsection."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, House Joint Resolution 87 relates to the powers of the Joint Committee on Internal Revenue Taxation and its staff to secure data and information from the executive departments in connection with tax studies for the benefit of the Committee on Ways and Means and the Committee on Finance. It is particularly important that this information be secured at this time because we are now engaged in an endeavor to raise additional taxes for the defense effort.

The power of the joint committee and its staff to obtain information and data from the executive departments is granted under section 5012 of the Internal Revenue Code which was enacted in the Revenue Act of 1942. At the time this act was passed it was deemed particularly important that in securing the data and information the joint committee and its staff should have the benefit of any information and experience accumulated by the Commissioner of Internal Revenue and his officials in the enforcement of the internal revenue laws. For this reason the law provided that this information and data could be secured directly from the Commissioner of Internal Revenue and his officials. Some question has now arisen as to the power of the Joint Committee on Internal Revenue Taxation and its staff to secure this data and information directly from the Commissioner of Internal Revenue and his officials because of Reorganization Plan No. 26, dated May 13, 1950.

The purpose of this resolution is merely to require the Commissioner and his officials to continue to furnish such information and data directly to the joint committee or its staff as required under section 5012 of the Internal Revenue Code and without regard to the effect of Reorganization Plan No. 26 or any other reorganization plan becoming

effective on, before, or after the date of the enactment of the date of this joint resolution.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, I wish to make the following comment on House Joint Resolution 87. We have a staff of the Joint Committee on Internal Revenue Taxation which prepares data and information relating to tax legislation. It is very important that this staff have authority to secure information and data directly from the Commissioner of Internal Revenue and his staff with respect to problems relating to taxation. Some of these problems arise in the field and others in the Bureau in Washington.

In 1942 Congress gave that power to the staff in section 5012 of the Internal Revenue Code. However, last year, by Reorganization Plan No. 26, dated May 13, 1950, this power is jeopardized by having statutory functions of the Commissioner of Internal Revenue and his staff transferred to the Secretary.

While the Secretary of the Treasury, in an order dated July 31, 1950, has provided that employees and agencies of the Treasury shall continue to perform the functions they were authorized to perform immediately prior to the effective date of the reorganization plan, the statutory duty to furnish this data and information no longer rests in the Bureau of Internal Revenue but is dependent upon the discretion of the Secretary of the Treasury and subject to such changes and conditions as he may deem advisable. I think it vital to sound tax legislation that the staff be able to confer and secure tax data and information directly from the Commissioner and his staff without interference from the Treasury.

This resolution restores the power formerly granted to the staff to secure this data and information directly from the Commissioner of Internal Revenue and his staff without being hampered by Reorganization Plan No. 26 or any other reorganization plan. I heartily commend its passage.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a speech made by me appearing in the CONGRESSIONAL RECORD of September 8, 1950, also a letter, a copy of a bill, and other material.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. MANSFIELD addressed the House. His remarks appear in the Appendix.]

Mr. REGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include an editorial from a newspaper in south Texas.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[Mr. REGAN addressed the House. His remarks appear in the Appendix.]

#### LET'S GET OUT OF UNITED NATIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, if anybody has any doubt but that we ought to get out of the so-called United Nations, let him read an editorial in today's Washington Daily News, which states that—

When the American resolution seeking to brand the Chinese Communists as aggressors in Korea was sidetracked by a 27-to-23 vote in the 60-member United Nations political committee the United States suffered its worst defeat in the UN's 5-year history.

The editorial goes on to say:

The defeat was sustained at the hands of the British, supported by India, France, Canada, the Asian-Arab bloc and the Scandinavian countries—nations for the most part, presumed to be our friends.

In other words, the very countries whose representatives voted the emergency and misled President Truman into sending our troops to die in Asia are now running out on us.

Let us get out of the United Nations, get out of Korea, stay out of Europe, get back to America, and look after our own affairs.

The SPEAKER. The time of the gentleman from Mississippi has expired.

#### SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

#### RESHIPMENT OF RUBBER TO RUSSIA

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, while our representations to Great Britain have brought embargoes on a long list of strategic materials, hitherto sold to Russia and her satellites by the British, I am shocked to learn that one item of utmost importance to Michigan's automotive industry appears to have been overlooked.

Statistical reports show that in 1948, Great Britain imported and then exported again to Russia something less than 400 tons of crude natural rubber. In 1949 the total was less than 500 tons. But in the first 11 months of 1950, the total jumped to 9,878 tons, valued at \$6,254,000.

These figures, of course, cover only rubber that was shipped from Malaya to England and then reshipped. It has



been estimated that in the first 11 months of 1950, Soviet Russia bought about 62,600 tons directly from Malaya, as compared with 63,500 in the comparable period of the year previous.

But even yet the rubber plantations of Malaya are largely controlled by British and Dutch interests. Therefore it must have been with their knowledge and consent that this tremendous amount of crude natural rubber was shipped to Russia, presumably through Hong Kong.

There can be little doubt that the vehicles, such as tanks, trucks and mobile artillery, now being used by Chinese Communist troops against our troops in Korea, are equipped with tires and treads made from the rubber sold to Russia by our British and Dutch allies.

It is needless, I think, for me to ask if this kind of thing offers the real explanation for the soft attitude of the British and some other European countries toward the Chinese Communists. An attitude made clear by their apparent unwillingness to join in branding the Chinese Reds as Korean aggressors, and their apparent eagerness to grant the Chinese Reds a seat on the United Nations Security Council.

The net result of this policy of trading with our enemies, and thus in part keeping badly needed supplies of crude natural rubber from the United States, has adversely affected our automotive industry. Our Government has been forced this month to slash 7,650 tons of domestically manufactured synthetic rubber from the total available for civilian tires and other rubber goods.

Let me point out, however, that this cut in civilian tire output is partly the fault of our own Government. The Eightieth Congress provided that synthetic rubber plants with an annual capacity of 160,000 long tons, built during World War II, should be kept on a standby basis. These plants utilize alcohol in making synthetic rubber.

But now it develops that the Government sold or leased, without proper recapture clauses, so many alcohol producing plants, also built during World War II, that it is impossible now to get the synthetic rubber plants into capacity operation.

It seems that the Government is going to have to buy hundreds of thousands of gallons of alcohol from other countries. It is going to have to do so at war inflated prices, even to reach the standby plant capacity.

Then how are we going to reach the 850,000 tons that will have to be produced each year, if our natural crude rubber supplies from Indonesia should be cut off completely?

Meanwhile, millions of bushels of potatoes and grain, both of use in making industrial alcohol, go to waste or are used by the whisky distillers.

And let me conclude by asking: Where is the stockpile of natural rubber, authorized by Congress, and which our National Security Resources Board was supposed to build up over the past several years?

#### THE MARINE CORPS

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, as the gentleman from Montana [Mr. MANSFIELD] has pointed out there are being today introduced into the House and into the other body a number of measures designed to establish a statutory strength for the United States Marine Corps and to provide for the appointment of the Commandant of the Marine Corps as a permanent member of the Joint Chiefs of Staff. This proposal is not by any means a negative move on the part of the proponents of the measure. We do not minimize in any respect the tremendous and magnificent work being accomplished by the other branches of the Armed Services. We admire their exploits. Certainly none of us has anything but respect and good will toward every other branch of the armed services. However, the 40 Members of the other body, who are today introducing a bill and the presently indeterminate number in this body, do feel that the time has arrived after more than 175 years of illustrious service to this country to insure that the United States Marine Corps on its record and by its exploits is granted the protection that this legislation would give it.

The SPEAKER. The time of the gentleman from California has expired.

#### WHAT WILL GREAT BRITAIN DO FOR US?

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, I have been saying right along that we could not count on England to aid us in the United Nations—she naturally would not because she can get all the money from us she needs and some she does not need, and in the meantime she carries on a brisk trade with Communist countries. She has officially recognized the Red regime in China. She always looks out for her trade and at the present time, she is selling critical war material to our enemies.

A vote is about to be taken in the United Nations as to whether Communist China is an aggressor in South Korea or not. Do not count on England—she will at most only make a token gesture for us, but she will not apply any sanctions against her customer—Red China.

If England takes that course in the vote today in the Security Council, it will be the best news the people of the United States have had since World War II came to an end. It means we can now look to our own security, without having to tail Great Britain up with money and men. It will remove the

United States from any worry over Europe for the reason that to save England has always been our goal. What for, I do not know. This should end our preparations to establish an Army in Europe and cause a draft of 18-year-old boys. We have friends there, to be sure. Norway, Sweden, Denmark, Finland, but if we keep out of Europe, these countries will take care of themselves. The Germans do not want to fight and France could not fight if she wanted to, so with bankrupt England out of the picture, we should shout hallelujah—three cheers for the United States. It will save us a million men and two hundred billion in money. Of course, we cannot take too much credit for our sagacity, because it was the perfidy of the Attlee government that has brought this new hope and jubilation to the United States of America.

The English love to sing God Save the King, but I believe there are a few in the United States who would rather hear God save the United States.

It appears likely that the invaders will be driven out of South Korea and if that happens again, we should not pass beyond the thirty-eighth parallel. Hand the reins over to South Korea and call it a day in Korea. Our next move should be to withdraw from the United Nations and make no further attempts to obey the order of this body in taking on any more obligations to stop aggression anywhere in the world. We have seen how we have been treated by the United Nations and we should resolve right now that we will deal no further with an incompetent, unappreciative and intriguing body which will stifle all attempts at world peace in the future as it has in the past.

This supinely weak organization seems determined to let Red China enter the organization, and of course Red China will not contribute anything to world peace but will prevent it. With Russia, Red China, and back-sliding England in the United Nations, the people of the world should not repose the slightest faith in this organization.

England has rendered us a great service, in failing to support us. Their action has relieved us from a terrible obligation. The future will be interesting to watch as to England:

How long can she continue supporting her utopian ideas without our money? Can she support the peace of the world by taking Red China to her bosom? Can she retain the respect of honest men, while engaged in selling war materials paid for by this country to our enemies?

England has made a complete sucker out of this Nation—because there are many who can't imagine the human race would continue without Great Britain. She now wants to paddle her own canoe and for the love of Mike, let her do it.

#### OUR SO-CALLED POLICE ACTION

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHEEHAN. Mr. Speaker, I have received a great deal of mail from my home district on the northwest side of Chicago. I spent the last week end at home, where I talked to many people, Republicans and Democrats. These good people, both by voice and by mail, are urging me to express to the Congress their views on this so-called police action and the foreign mess we are mired down in.

In the light of today's known facts the majority of my constituents want the following course of action:

First. Get out of Korea and quit "saving face" by losing lives.

Second. Send no more troops to Europe until Congress decides this matter under its constitutional powers.

Third. Build up and safeguard our own home defenses, giving serious consideration to ex-President Hoover's and Senator TAIT's recommendations.

Fourth. Give Europe only such material aid in the forms of arms and military equipment to defend themselves only if they are willing to work to protect their liberties and their homeland.

Fifth. Do not draft 18-year-old boys.

My conclusion is that the great mass of Midwest citizens know what they want. The only ones who seem to be lost, confused, and who do not know what they want are Secretary Acheson, President Truman, and their advisers.

#### PETITION TO THE CONGRESS AND THE PRESIDENT FROM ALABAMA

Mr. BATTLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BATTLE. Mr. Speaker, in accordance with a request from my district, I went over to see President Truman yesterday to present to him a petition signed by approximately 12,000 people in the State of Alabama. Mr. J. Dozier P. Arnold, a Birmingham accountant, circulated this petition in Alabama and turned it over to me to present to the President and to the Congress. It reads as follows:

We, the undersigned citizens and taxpayers of the United States, do petition you to stop immediately the unnecessary spending of our money for nonessential purposes and to devote all possible financial aid to the military.

Although the petition does not spell out specific places where savings can be made, the vast majority of Alabamians would say that the item in the budget allowing for FEPC operations is entirely unnecessary and harmful. The vast majority of the people in my district at least, which includes approximately 600,000 people, would say that the budget allowance for the Brannan farm plan and socialized medicine should also be eliminated. Everyone wants to avoid the recurrence of wasteful practices such

as the potato subsidy and burning of good food. Most people want the enactment of certain additional Hoover Commission reports, which are designed to eliminate the overlapping of agencies and bring about greater efficiency in government.

I believe a select committee composed of outstanding Members of the House should be established for the duration of the crisis. This committee would help determine which activities and expenditures of the Government are essential to the national security. It would help find ways to operate our Government more efficiently and economically as well as to utilize manpower more effectively for the war effort.

Mr. Speaker, I know these petitioners are willing to assume increased taxes to carry on the defense activities but they want all wasteful, unessential, nonmilitary spending cut so the tax burden will not be heavier than necessary. They believe as I do that our resources must be used wisely to insure our victory.

We in the Congress must share the responsibility with the Executive in taking the necessary steps to achieve these goals.

#### ENLISTMENT OF FOREIGN NATIONALS IN THE ARMY OF THE UNITED STATES

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, it has come to my attention that there are those who are under the impression that the legislation which I have proposed, to authorize the enlistment of foreign nationals in the Army of the United States, is confined to nationals of Germany and Japan. Possibly I am somewhat at fault in connection with this misunderstanding. I have emphasized the enlistment of German and Japanese nationals because they represent the two largest pools of manpower available to us, and they are located at the two positions most important to our world-wide defense. However, the pending legislation specifically authorizes the enlistment of nationals of other countries—of all countries—of the Philippines, of Korea, of Mexico, Canada, and of all of the countries of Europe where there are men who want to enlist. It is simply an open invitation, such as the French have held out to foreigners to enlist in their Foreign Legion throughout all these years. The bill offers food, clothes, and pay to the unemployed but it also invites every friend of freedom, wherever he may be to join in the defense of a free world. I hope that everyone will understand I am not confining this invitation to any one group or nationality.

The SPEAKER. The time of the gentleman from Texas has expired.

#### DO NOT ADMIT CHINESE COMMUNIST GOVERNMENT TO THE UNITED NATIONS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, last Friday, the gentleman from Massachusetts, our distinguished majority leader [Mr. McCORMACK], and the gentleman from Massachusetts, the distinguished minority leader [Mr. MARTIN], jointly sponsored a resolution in this House which was adopted stating that it was the sense of the House of Representatives of the United States that the United Nations should declare Communist China the aggressor in Korea. I am glad to see that the United States Senate yesterday concurred in that action, and even went a step further, in which they declared it was the sense of that body that the Chinese Communist Government should not be admitted to the United Nations.

I am today introducing a similar resolution that it may be the sense of the House of Representatives that the Chinese Communist Government should not be admitted as members of the United Nations to represent China. I understand the Committee on Foreign Affairs is now organized, and I hope and believe, after talking with several members of that committee and others in the House, that we may get immediate action on this resolution. It is long past time for definite decision. Among others with whom I have talked to in this House are the leadership. They, too, have indicated their approval.

It is incredible to even think of admitting the Chinese Communists, as it appears that some UN members would, as the representative of China while at the same time they are aggressors in Korea.

The SPEAKER. The time of the gentleman from Arkansas has expired.

#### THE TASK THAT CONFRONTS US

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, shortly General Eisenhower will be back to advise us about certain matters, and undoubtedly most of us have some idea as to what he will say. If it is not presumptuous, may I suggest my colleagues read two books. One of them will give you an idea of the general himself. It is entitled "Eisenhower Was My Boss." The other is one written by the general himself, *Crusade in Europe*. If you will read this book—I just finished reading it the second time last night—you will get some idea of the magnitude of the task that confronted the general in World War II when Russia and the Communists were fighting on our side. If you will read those books you will get some idea of the general and the vital importance and the magnitude of the task which confronts us when Russia and Chinese Communists are our enemies, Japan and Ger-



many unable to give very effective help, Britain and France lukewarm in their support.

#### SPREADING DEFENSE ORDERS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, the gentlewoman from Massachusetts [Mrs. ROGERS] made a very pertinent observation here on the floor the other day when she said that it was a dangerous thing to concentrate industry in four major parts of the country. I have today introduced a bill which I believe will give all sections of the country a fair share of the defense orders. If Russia has the atomic bomb, there is only one thing that we can do, and that is to disperse and to deconcentrate industry so that every city in the country has a chance to get its fair share of defense orders. I believe that with our communication system we can do this.

We can fan out from industrial centers, into nearby villages, into surrounding territory, placing defense orders wherever competent and experienced hands are now in business.

This method of dispersal and distribution of our productive facilities will assure us of two things.

First, if we are attacked from the air, enemy planes will have a lot more territory to cover to bomb us, and even then, they cannot hope to cripple us because we will be too scattered.

Next, we will be able to sustain such attack indefinitely because our plants will be spread out so that only a few could possibly be hit during the same raid.

The bill reads as follows:

A bill to guarantee all existing industrial centers in the United States a fair share of defense industry

*Be it enacted, etc.,* The Secretary of Defense is hereby directed to supervise the awarding of defense orders on the basis of relatively equal distribution by—

(1) Utilizing all existing industrial facilities now available for conversion to defense productions;

(2) Carefully selecting plants as contractors and subcontractors with a view to spreading defense work throughout every city and locality now established for manufacturing;

(3) Making use of all possible means of transport and communication in order to disperse defense orders as remote as possible from danger areas anticipating atomic bomb attacks;

(4) Analyzing the size and population of every city and area in order to determine the amounts of defense production such locality is capable of turning out and then placing orders as nearly as possible in line with this survey.

#### VETERANS' HOSPITALS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked this time for the purpose of advising my colleagues of the deplorable situation that is developing in the veterans' hospitals of our Nation.

In our zeal to get ready to win a third world war we are on the verge of making the 100,000 or more disabled and otherwise ailing veterans of World Wars I and II the forgotten men of the country.

The situation is this, Mr. Speaker: Of the 140 veterans' hospitals in operation at the present time there is a shortage of 384 members of the medical staff. There are six hospitals completed that have no medical staff at all and cannot be opened for the benefit of the veterans. During the calendar year 1951, 26 more hospitals will be ready for opening, requiring an additional 460 doctors. The situation is further confused by the calling up of reserves who are members of the staffs of these hospitals. Already 119 doctors and 294 trainee doctors have been called and separated from the hospitals. Another call is in for 384 more.

I want to make the prediction that unless something is done in the draft legislation that is about to be considered by the House to exempt doctors who are on the staff of veterans' hospitals more veterans' hospitals will be closed by the end of this year.

#### SPECIAL ORDER TRANSFERRED

Mr. BONNER. Mr. Speaker, I have a special order for Thursday of this week. Due to a death message received this morning, I ask unanimous consent that the order may be carried over until Monday of next week.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### PROGRAM FOR BALANCE OF THIS WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the gentleman from Massachusetts a question.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, can the majority leader tell us the program for the rest of this week?

Mr. McCORMACK. After the disposition of these bills there is no further legislation that I know of. It is my intention after we dispose of these bills to adjourn until tomorrow and then go over until Monday.

Mr. MARTIN of Massachusetts. I thank the gentleman; that is the information I wanted.

#### EXTENSION OF REMARKS

Mr. JONES of Alabama asked and was given permission to extend his remarks in two instances, and to include in one a news article and in the other an editorial.

Mr. BRYSON asked and was given permission to extend his remarks and include a newspaper article.

Mr. ASPINALL asked and was given permission to extend his remarks and include a letter.

Mr. BARTLETT asked and was given permission to extend his remarks.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include a letter.

Mr. DOLLIVER asked and was given permission to extend his remarks and include some facts about Iowa from the Iowa Development Commission.

Mr. VURSELL asked and was given permission to extend his remarks and include an editorial.

Mr. H. CARL ANDERSEN asked and was given permission to extend his remarks and include a letter by the farm editor for the St. Paul Pioneer Press Dispatch, in which the editor fully answers the misleading allegations in the press that the farmers are responsible for the rise in the cost of living.

Mr. WHARTON asked and was given permission to extend his remarks and include an editorial.

Mr. JENKINS asked and was given permission to extend his remarks in two instances and include some editorial comments.

Mr. KEATING asked and was given permission to extend his remarks and include an editorial.

Mr. BLACKNEY asked and was given permission to extend his remarks and include an article from the Michigan Times.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks and include an editorial.

Mr. HARRISON of Virginia asked and was given permission to extend his remarks and include several editorials.

Mr. MULTER asked and was given permission to extend his remarks in three instances, and in each to include extraneous matter.

Mr. RANKIN asked and was given permission to extend his remarks and include extraneous matter.

Mr. KEARNEY asked and was given permission to extend his remarks and include an article.

Mr. McCORMACK asked and was given permission to extend his remarks and include an article.

#### SERVICEMEN'S INDEMNITY ACT OF 1951

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 83 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1) to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and

ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, may I ask the gentleman from Illinois [Mr. ALLEN] if he desires any time on the rule?

Mr. ALLEN of Illinois. No. There is no objection to the adoption of the rule.

Mr. SMITH of Virginia. Mr. Speaker, this is a rule for the consideration of H. R. 1, which is a bill to give a certain amount of gratuitous insurance to members of the armed services when in combat in time of war emergency. Two hours general debate are provided, it waives points of order, and contains the usual provision for one motion to recommit.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### AIR FORCE ORGANIZATION ACT OF 1951

Mr. SABATH. Mr. Speaker, I call up House Resolution 88 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1726) to provide for the organization of the Air Force and the Department of the Air Force, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule provides for the consideration of the bill H. R. 1726 to provide for the organization of the Air Force and the Department of the Air Force, and for other purposes, reported by the Armed Services Committee. I understand there is no opposition to it and that the gentleman from Illinois [Mr. ALLEN] does not desire any time.

In view of that fact and knowing that the chairman of that great committee will explain the bill more thoroughly than I am in position to do, I shall not take any time. However, I do at this time yield 1 minute to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I take this time to make an announce-

ment to the House for the benefit of the Members.

We are all aware that next week, as I stated heretofore on the floor, and it also appeared in the press, General Eisenhower will address an informal joint meeting of the two branches of Congress in the Congressional Library. The date has not been stated heretofore. I desire to announce to the House that that informal joint meeting will take place in the Coolidge Auditorium, Library of Congress, at 10:30 a. m., February 1, 1951, which is a week from tomorrow; that there will be no tickets issued to Members of either branch. They will be admitted upon recognition. The press will be assigned seats in the front row in the extreme right and the extreme left of the auditorium.

I desire to make this announcement, knowing of the great interest in the matter, so that the Members might be advised as far in advance as possible as to the time when the informal joint meeting will take place.

• The SPEAKER. The Chair desires to announce, and calls the attention of the gentleman from Massachusetts to this fact, that there are only 510 seats in that auditorium and it will not be possible for Members of the House or the Senate to have any guests on that occasion.

Mr. SABATH. Mr. Speaker, I understand the gentleman from Illinois does not wish any time on the resolution.

Mr. ALLEN of Illinois. There is no objection to the adoption of the rule, Mr. Speaker.

Mr. SABATH. Then, Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### SERVICEMEN'S INDEMNITY ACT OF 1951

Mr. RANKIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1) to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 1, with Mr. KELLEY of Pennsylvania in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. RANKIN asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. RANKIN. Mr. Chairman, this bill provides a gratuitous indemnity in the amount of \$10,000 to the survivors of all men who lose their lives in the Armed Forces on and after June 27, 1950, without cost to the serviceman.

In addition, the man, upon discharge, will be protected for a period of 90 days in order to permit him to readjust to civilian life and determine the sort of insurance protection he wishes to obtain from commercial sources.

Beneficiaries are limited to the immediate family of the serviceman and the indemnity is payable only in monthly installments of \$92.90 over a 10-year period.

Veterans having World War I and World War II insurance may maintain such insurance if they are recalled to active duty or they may avail themselves of the gratuitous indemnity. For those having permanent type of insurance, provision is made that they may surrender the policies for cash and reinstate them at some future date with a net saving to the individual. Holders of term policies who permit their policies to lapse during service may reinstate them after discharge.

Veterans of World War I and World War II who have Government insurance may continue their insurance, and this bill does not cancel, or restrict, or in any way adversely affect any rights which the veteran has under the terms of his existing insurance contract.

The gratuity is exempt from the claims of creditors and from taxation.

Any man unable to obtain commercial insurance after discharge at standard rates because of service-connected disability, will be eligible to carry a national service life insurance policy. In addition, a man having total service-connected disability will have his premiums waived. Veterans with disability may apply for this type of insurance at any time after discharge.

The bill carries out the budget recommendation. The Bureau of the Budget has indicated that it favors the approach embodied in this bill and gives as its opinion that, had it been in effect, several hundreds of millions of dollars would have been saved during the period 1940-49. The Comptroller General estimates that the saving would have amounted to \$587,000,000.

The bill was reported unanimously by the committee and is substantially the same as H. R. 9911 which passed the House unanimously on December 18, 1950.

#### BACKGROUND OF THE LEGISLATION

On May 10, 1950, the committee unanimously adopted this resolution:

The staff of the committee is directed, during the recess of the Congress, to consult with the Veterans' Administration, the Department of Defense, the General Accounting Office, the Bureau of the Budget, and any other interested Government agency, and the four service organizations chartered by the Congress, with a view to presenting to the Committee on Veterans' Affairs in the Eighty-second Congress recommendations for a new law providing insurance protection to members of the Armed Forces and veterans of such forces; the staff to utilize, to whatever extent practicable, previous surveys or investigations made of this subject.

That resolution was adopted after a subcommittee had held rather extensive hearings on amendments to the National Service Life Insurance Act.

As indicated, the resolution was adopted unanimously and was an effort by the committee to study the desirability of providing uniform coverage and protection for all members of the Armed Forces whether they are in the Army, Navy, Air Force, or Coast Guard. At the



same time, it was the hope of the committee that such uniform coverage, if desirable and feasible, could be provided with a decreased cost of administration to the Government. Not only was it desirable in the opinion of the committee to decrease administrative costs, with a resulting saving to the Treasury, but also to provide a program in the future which would be much more workable and sharply reduce the amount of manpower necessary to operate it. In connection with this vital problem of manpower, the testimony in 1950 of the Veterans' Administration insurance administrator is pertinent and is worthy of mention here. He said:

In time of emergency, I think the manpower to operate an insurance system, projecting in the future, would probably not be available. I am thinking of an insurance system of this character—

He referred to national service life insurance—

I base that on the difficulties that we had in connection with the operation of the insurance program during the last war. Most of our difficulties, even carrying over up to today, were due to lack of personnel, space, and equipment. \* \* \* It is likely to be worse and I do not think we ought to repeat the experience that we had in this last war.

A recent study by the General Accounting Office indicates that during the period 1940-49, the Veterans' Administration had to set up approximately 26,000,000 individual files based on that number of applications for insurance in varying amounts. Had the system embodied in this bill been in effect during that period, the total number of files which the Veterans' Administration would have had to establish with respect to an indemnity would have been reduced to 438,000, representing the total number of in-service deaths from October 1940 to December 31, 1949. This, it should be noted, would have resulted in a substantial reduction in the amount of administration actually required.

As a further indication of the administrative savings in time and money and simplicity of operation which can be expected to follow as a result of the enactment of this legislation, the committee has been informally advised that when this proposal is enacted, the Department of Defense will use the same beneficiary designation form for both the proposed indemnity and the 6-months' death gratuity. Thus, there will not be any additional paper work necessary on the part of the Department of Defense, and of course the Veterans' Administration will come into the indemnity picture only in the event of the death of the serviceman during a period of service or within 90 days thereafter.

In connection with the testimony of the Assistant Administrator on the subject of manpower, the scarcity of manpower is much more acute today than when this testimony was given some 9 months ago.

There is no doubt in the minds of the committee that unless the present insurance program is changed, great

difficulty will be experienced in obtaining sufficient competent manpower to administer the present national service insurance program.

The Comptroller General has forcefully pointed out the manpower and operational savings which the enactment of this legislation will bring. In a formal report on this proposal he stated:

The major operational or manpower savings which would be achieved under these two bills include (1) the elimination of the need for establishing military insurance allotments in the Department of Defense for all future entrants into the Armed Forces; (2) the probability that a majority of the present members of the Armed Forces will discontinue their insurance allotments, thereby making it unnecessary to maintain a vast number of allotment accounts now maintained in the Department of Defense; (3) the elimination of the transmission from the Department of Defense to the Veterans' Administration of a great number of monthly insurance allotment advices; (4) the elimination of the need for a mountain of paper work in the form of applications, medical examinations and certificates, and so forth; (5) the elimination of the need for underwriting work in the Veterans' Administration for personnel in the services; and (6) the elimination of the need for establishing and maintaining individual premium record accounts in the Veterans' Administration for each insurance allotment and policy.

Enactment of this uniform indemnity coverage bill will remove what has been considered a basic inequity and inadequacy in the existing Government insurance program. Take, for example, the cases of Smith, Brown, and Jones. Smith, Brown, and Jones all were draftee privates in a combat outfit. Each was married and had two children. For reasons best known to themselves, Smith had no national service life insurance coverage; Brown had \$5,000 term insurance; Jones had \$10,000 term insurance. In the same combat engagement, while subject to the same war hazards, all three were killed. The United States—not national service life insurance—pays Brown's family \$5,000, Jones' family \$10,000, and Smith's family gets nothing. The money which Brown and Jones contributed in the form of premiums to the maintenance of this insurance will not be used to meet any part of either death claim—this by virtue of the fact that the Government under the present law properly bears the entire cost in cases of deaths traceable to the extra hazards of military service. The premiums which Brown and Jones contributed are considered to have been earned by reason of the concurrent normal risk involved. They remain in the national service life insurance fund, and, it has been forcefully argued, serve to enrich, in the form of dividends, the policyholders. Among other reasons, it is to correct conditions illustrated by this example that the committee reports this bill favorably. It is of the firm opinion that uniform benefits to all people in the service are highly desirable and where the deaths, as above, are of such character that the insurance benefit is entirely paid for by the Government, there is no logical reason why the dependents of Smith in the example above should be discriminated against because of his oversight or neglect in not applying for insurance.

So far, the Department of Defense has announced casualty figures totaling over 42,730 resulting from the fighting in Korea. Of this number 7,023 have been killed and 7,143 are missing. This bill provides uniform coverage for all men in the service, which is quite different from the situation prevailing today under national service life insurance. At the peak during World War II, 95 percent of the men in the Armed Forces had insurance coverage with policies averaging approximately \$9,500, but on June 30, 1950, 18 percent of the men overseas, having dependents, did not have insurance, and 22 percent of those in the United States with dependents did not have insurance. Further, at that time, only 54 percent of those having insurance had the full \$10,000 coverage. This bill protects the interests of all the dependents of all men in the service to a uniform degree, which the present program fails to do. The present emergency makes prompt action imperative.

Pursuant to the cited resolution, the committee staff immediately began a series of conferences with officials of the agencies and organizations concerned, which ultimately led to the publication of House Committee Print 299 of the Eighty-first Congress, containing insurance information pertinent to this discussion. In addition to the reports from the four Government agencies and four veterans' organizations, there is included in the publication pertinent excerpts from the so-called Hook Commission report and memoranda prepared by the National Service Life Insurance Committee of the Joint Army and Navy Personnel Board, which began its studies back in 1946. In addition, for ready reference the staff had digested each bill which had been introduced on the subject of insurance for servicemen for the period 1939-50.

After this material had been studied and conclusions drawn from recommendations contained therein, a series of conferences were started and several round-table discussions were had on the suggestions made by the agencies and veterans' organizations.

It soon developed that there were at least three avenues of approach to this problem. First was the proposal to provide a system of gratuitous insurance or gratuitous indemnity which would automatically indemnify any member of the Armed Forces against the loss of his life while in active service. Second, it was proposed that a system of group insurance be authorized requiring a nominal premium for the serviceman of approximately \$2 or \$3 a month with mandatory deductions from his monthly service pay. Third was the suggestion that substantial amendments be made to the present National Service Life Insurance Act to provide for the assumption of administrative costs by the policyholders with respect to new contracts; for the calculation of premiums on future policies on a more realistic mortality table, possibly the 1941 Commissioners Standard Ordinary Table; and at the same time for the adoption of an up-to-date annuity table for the calculation of annuities for beneficiaries under other than lump-sum settlements.

After these three avenues of approach had been carefully considered by officials of the Government agencies and veterans' organizations, legislation was introduced in the Eighty-first Congress to accomplish each of the proposals described above. A subcommittee was appointed to hold hearings on these bills, and testimony was received from the Veterans' Administration, the Bureau of the Budget, the General Accounting Office, the Department of Defense, the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and AMVETS. Officials of the commercial insurance companies and representatives of the life-insurance agents also made brief appearances and expressed their views of the approach which should be taken.

It became evident from the testimony during the 7 days of hearings that the Bureau of the Budget would favor a gratuitous indemnity program, as would the General Accounting Office. The Bureau of the Budget also suggested that a comprehensive study be undertaken to consider the possibilities of integration of the present veterans' compensation program into the social-security system.

On January 15, 1951, the President formally recommended the gratuitous approach in his budget message in which he stated:

Government liabilities for life insurance programs for servicemen and veterans are mainly for the costs of administration and for payments on account of deaths traceable to the extra hazards of military service.

In view of the Korean hostilities and the current enlargement of the Armed Forces, there is pressing need for new legislation to assure financial protection to the families of servicemen. The present national service life insurance program does not meet this need. Because it is optional, the protection is not carried by some servicemen and is held in less than adequate amounts by others. The system is complex and costly and absorbs excessive manpower, especially when the Armed Forces are large and manpower scarce.

It would be more equitable, and over the last decade it would have been more economical, to provide a free and automatic \$10,000 indemnity to the survivors of all who die while in military service, and to establish a special new system of voluntary insurance open only to veterans whose insurability at standard rates has been impaired by military service. I recommend that this Congress now enact such legislation and extend its benefits to the dependents of those servicemen who have died while on active duty since June 27, 1950, if they did not have a like amount of servicemen's insurance protection.

The Department of Defense advocated further study of the problem and expressed its opposition to any proposal which would in any way curtail or otherwise reduce the amount of the benefits now made available to survivors of the Armed Forces. In connection with the position of the Department of Defense, it is pertinent to point out that a Committee on National Service Life Insurance, within the Armed Forces which studied this problem for some months, came to the conclusion that—

The basic idea of granting gratuitous insurance to all members of the Armed Forces is both sound and economical.

At the same time, the same group listed the following as among the basic

objections against the present national service life insurance system:

(1) It is inordinately expensive, particularly on a wartime basis, administratively, the more important costs being:

(a) Obtaining the applications.  
(b) Servicing the insurance.  
(c) Registration and discontinuance of allotments.

(d) Maintenance of allotment records in service departments, adjustments, correspondence, etc.

(e) Payments of premiums by service departments to Veterans' Administration.

(f) Establishment and maintenance of insurance records in Veterans' Administration, namely: Index, file jackets, establishment of premium accounts, examination and approval of applications, issuance of certificates.

(g) Consideration of medical examinations to determine the insurability of applicants who have been in service more than 120 days.

(h) Reinstatement of insurance.

(i) Correspondence.

(j) Conversion.

(k) Change of beneficiary.

(l) General Accounting Office, Treasury Department and Department of Justice—costs incidental to the handling of insurance matters.

(m) Rental space required for storage of forms and materials.

(n) Printing costs for forms, pamphlets, etc.

(2) It is expensive in personnel costs to all of the services as well as the other agencies involved.

(3) Emergency conditions bring additions to the armed services and the sale and administrative burden of national service life insurance to a simultaneous peak. Manpower is subjected to additional heavy drains at the very moment it is most precious.

(4) The amount of a serviceman's insurance coverage is apt to reflect not his need, but rather his particular susceptibility to suasion and his degree of response to campaign pressure.

(5) The enormous size of the physical task involved in establishing and maintaining complete insurance records for a modern war's millions of servicemen and its subsequent millions of veterans results in an incredible but utterly unavoidable mass of confusion and delay.

The Veterans' Administration maintained its well-known policy of neither recommending for or against any proposal.

However, in reporting on H. R. 1, the Veterans' Administration pointed out that—

No doubt, enactment of the bill would provide automatic, gratuitous, life indemnity protection for all persons embraced by the bill and it would eliminate a great amount of administrative work which otherwise would be required under the National Service Life Insurance Act of 1940, as amended, if that program is continued. The proposed plan would guarantee maximum (\$10,000) protection to all, which is favored by many as being a great improvement over the present system under which many servicemen do not apply for any insurance and, in many instances, for less than the maximum protection. The manpower savings which eventually would result from enactment of the bill, particularly in the event of an all-out emergency, would be very desirable.

In testifying on this proposal, the representative of the Veterans of Foreign Wars stated:

We subscribe to the principle of indemnity insurance without premium payments or red tape and to making the coverage automatic on every man who goes into the armed

services. We believe that a program of that kind is in keeping with the traditional functioning of our Government. National service life insurance, in its present form, the way it has been administered in the past, actually offers less protection to the serviceman, with tremendous administrative cost and red tape and the perpetuation of bureaucracy with all of the headaches attendant to the various cases of inequity that develop, and costs more money in the long run than would the indemnity form of free insurance for every serviceman.

The Disabled American Veterans' representative stated that his organization believes that—

In time of a major national emergency, the present system would require an entirely disproportionate ratio of manpower to administer, as contrasted with a plan not requiring the payment of premiums, book-keeping, filing, and so forth. It is impossible to estimate the economies, not only in money, but in man-hours as well that could be realized \* \* \*. While this proposal is a departure from the recognized insurance programs of World War I and World War II, we are firmly convinced that it is a departure in the right direction, and that as our mobilization progresses, it will have a salutary effect on the efficiency and economy of administering insurance benefits for members of the Armed Forces.

The representative of AMVETS, in endorsing the bill and urging its passage, stated:

We feel that servicemen would be better satisfied with a universal coverage. We feel that loved ones at home would be happier in the knowledge of certain security in the event of death of a serviceman. We feel that the country would save money and that the veterans' program as a whole would benefit by virtue of the fact that the people would know exactly what national benefits existed. Besides providing a universal coverage for all servicemen, equally important, it would provide to those men who had lost their insurability, a vehicle by which they might have insurance protection. We do, however, suggest that the new proposal offered can carry out the Nation's obligations to its servicemen and to the beneficiaries of these men. We believe this proposal can save the Government money and therefore urge its passage.

The American Legion proposed amendments to the National Service Life Insurance Act to provide certain coverage for persons who die, become totally disabled, or are captured after June 27, 1950, and within 120 days after such proposal's enactment. Its proposal is directed particularly to the Korea casualties and would provide gratuitous insurance in the amount of \$10,000 for those who do not have that amount of insurance in force at the time of their death, disability, or capture during the stated period. In addition, it was proposed that the \$10,000 amount be extended to cover the dependents of veterans of World War II who are presently limited to \$5,000 gratuitous insurance. The American Legion urged that if the indemnity approach is adopted, provision be made for veterans to obtain national service life insurance after separation from service, whether disabled or not.

The National Association of Life Underwriters, representing the insurance agents, recommended the gratuitous indemnity and while the commercial insurance companies' representative was guarded in his advocacy of any program,



it is safe to say that a large segment of the commercial insurance industry believes that a gratuitous approach would be advantageous to the serviceman and to the country.

After completion of 7 days of hearings which resulted in 463 pages of printed testimony, the subcommittee unanimously recommended to the full committee H. R. 9911, Eighty-first Congress, which was reported from the committee without a dissenting vote and passed the House unanimously on December 18, 1950.

The provisions of H. R. 1 are substantially identical with H. R. 9911 with respect to its major purposes, the changes involving chiefly matters of clarification and technical improvements.

#### EXPLANATION OF THE BILL BY SECTIONS

The bill, as reported to the House, contains two parts—part I is cited as the "Servicemen's Indemnity Act of 1951," and part II as the "Insurance Act of 1951."

#### SECTION 1

Section 1 states that part I may be cited as the Servicemen's Indemnity Act of 1951.

#### SECTION 2

Section 2 provides that on and after June 27, 1950, except as otherwise provided, any person in the active service of the Army, Navy, Air Force, Marine Corps, Coast Guard, or the Reserve components thereof, including the National Guard under the conditions hereinafter noted, shall be automatically insured, without cost to the person, against death in active service in the amount of \$10,000. Also included in this coverage are cadets and midshipmen of the United States Military, Naval, and Coast Guard Academies, and commissioned officers of the Public Health Service and Coast and Geodetic Survey while engaged in specified types of duty. In addition, servicemen called for active service for a period exceeding 30 days will be covered after separation from the service for a short period of 90 days, so that they may have that time within which to adjust their affairs and still be protected while deciding upon the type of insurance protection they may wish to purchase from a commercial insurance company. This additional protection would not be available to a man who spends a few days each month in active-duty training as a part of some local Reserve unit.

The broad coverage of the bill would include aviation cadets who are taking training in that field in any one of the three services, as well as persons in the Reserve components, including the National Guard, while engaged in aerial flight in Government aircraft, regardless of the period of time involved in such duty, provided such flights are incident to their military or naval training. Members of the National Guard, except as noted above, are included only when they are called or ordered to active duty or active training duty for a period of 14 days or more. A man serving in the National Guard on maneuvers for 2 weeks during the summer, for example, would have the protection afforded by this legislation. On the other hand, it would not provide protection for mem-

bers of the National Guard who are performing training duty in a drill hall once or twice a month. Neither would it give protection to a man injured when the Guard was acting as an agency of the State in quelling a riot or other disturbance. The committee has been advised that any such injuries are compensable under the laws of the individual States.

As amended by the committee, the indemnity would be extended as of June 27, 1950, to persons, including volunteers for enlistment and reservists called to active duty, who were or shall be provisionally accepted and directed or ordered to report to a place for final acceptance or for entry upon active duty and who died or shall die as the result of disability incurred while en route to such place. Similar coverage is extended to selectees who, in response to an order to report for induction and after reporting to a local draft board, died or dies as the result of disability incurred while en route from such draft board to a designated induction station. In all such cases, the death shall be deemed to have occurred in active service for the purpose of part I. This provision is similar to the coverage under Public Law No. 300, Seventy-eighth Congress, May 11, 1944, for veterans' compensation purposes.

It will be noted from this section, and it should be stressed, that this will give retroactively automatic protection to all men who have been in the service since the fighting in Korea started, and in the event of death in such service, will authorize payment to their beneficiaries of the \$10,000 indemnity, subject to the provision that beneficiaries of those persons having other Government insurance in force at the time of death will receive the difference, if any, between the amount of such insurance and \$10,000.

#### SECTION 3

Section 3 directs the Administrator of Veterans' Affairs to pay the indemnity, upon certification of the death by the secretary of the service department concerned, to the surviving spouse, child or children, parent, brother, or sister of the insured. This, it will be seen, limits the beneficiaries to the survivors in the immediate family of the insured. Beneficiaries within these classes may be named by the insured. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the indemnity is payable to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Any installments not paid to a beneficiary during such beneficiary's lifetime are payable to the named contingent beneficiary, if any; otherwise, to the beneficiary or beneficiaries within the permitted class next entitled to priority.

#### SECTION 4

Section 4: The indemnity is payable in equal monthly installments of 120 in number, with interest at the rate of 2½ percent per annum. The committee is advised that this will amount to \$92.90 per month for a 10-year period in cases in which the maximum indemnity is payable.

In the insurance programs applicable to World War I and World War II veterans, provision is made for options to be selected either by the insured or at the election of the beneficiary. In restricting the indemnity payments to equal monthly installments over a 10-year period, the committee is endeavoring to simplify administration and at the same time to assure a substantial monthly payment for a reasonable period of time. This will provide a larger sum than the monthly annuity payments under the existing Government insurance programs for widows with children during the time when a larger income will be most needed. It has not been the policy of the Congress at any time to permit lump-sum settlement of gratuitous insurance.

#### SECTION 5

Section 5 limits the total liability of the Government to \$10,000 in any case where an indemnified person also has Government insurance in force. Thus, if a man in the service had \$5,000 of national service life insurance in force at the time of his death on or after June 27, 1950, the beneficiary would receive \$5,000 national service life insurance and \$5,000 gratuitous indemnity.

Provision is made that any person in the active service who has national service life insurance or United States Government life insurance on a permanent plan in force may surrender such policy and receive its cash surrender value. Within 90 days after separation from active service, and without medical examination, he may upon written application be granted permanent type insurance on the same plan but not in excess of the amount surrendered, or he may reinstate such surrendered insurance upon payment of the required reserve and the premium for the current month. This provision was included in consideration of those recalled to active duty who have Government insurance on a permanent plan which they may not wish to abandon permanently but at the same time desire to be eligible for the full free indemnity while in the active service. The committee is advised that by reinstating the insurance, repayment of the cash surrender value and payment of the reserve for the time spent in the service, the policyholder would enjoy a net saving of the difference between the aggregate amount of premiums he would have paid and the reserve required to reinstate his policy.

While no rights of reinstatement under existing contracts of insurance will be impaired or denied by reason of enactment of the bill, the National Service Life Insurance Act and regulations issued thereunder provide presently that insurance surrendered for cash may not be reinstated nor may the person in such case be granted new insurance in any amount in excess of the difference between the amount of insurance surrendered and \$10,000. Accordingly, section 5 is designed, among other things, to preserve the right of those who surrender their policy for cash to continue their insurance upon separation from service.

Rights under existing 5-year level premium term insurance policies of reinstatement, conversion, or renewal are likewise not impaired by the provisions of the bill. However, the committee realizes that in certain instances the 5-year term period will expire while insureds are in the active service and under conditions which would make it difficult or impossible for them to reinstate, renew, or convert their insurance prior to the expiration of the term. In order to preserve rights of policyholders in such cases, the bill has been amended to provide that any person in the active service having United States Government life insurance or national service life insurance on the 5-year level premium term plan, the term of which expires while such person is in active service after the date of its enactment, shall, upon application made within 90 days after separation from service, payment of premiums and evidence of good health satisfactory to the Administrator, be granted an equivalent amount of insurance on the 5-year level premium term plan at the premium rate for his then attained age.

#### SECTION 6

Section 6 authorizes the Administrator of Veterans' Affairs to promulgate such rules and regulations as may be necessary or appropriate to carry out the purposes of part I. He presently has such authority under the National Service Life Insurance Act with reference to the amendments of that act proposed under part II of the bill.

#### SECTION 7

Section 7 authorizes appropriations for the payment of liabilities under the Servicemen's Indemnity Act of 1951.

#### SECTION 8

Section 8 provides that any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections refuses to perform service in the land or naval forces of the United States, shall forfeit all rights to an indemnity under the act; also, that no benefit shall be payable for death inflicted as a lawful punishment, except when inflicted by an enemy of the United States. However, the section contains a proviso which makes it clear that restoration to active duty after commission of any such offense shall restore all rights to an indemnity.

#### SECTION 9

Section 9 makes applicable to part I the provisions of Public Laws 262 and 844 of the Seventy-fourth Congress, as amended, which, among other things, would exempt the indemnity from taxation and claims of creditors; provide for the payment of benefits to minors and incompetents, with or without guardians; and regulate the recognition and fees of attorneys and agents. Provision is also made in this section that all or any part of the beneficiary's interest may be assigned to any person in the permitted classes when all other such persons join in the assignment.

#### SECTION 10

This section and sections 11 and 12 comprise part II of the bill. Section 10 adds two new sections, 619 and 620, to

the National Service Life Insurance Act of 1940, as amended. These new sections would prohibit issue of United States Government life insurance or national service life insurance to any person after its enactment except former insureds under the mentioned permanent plans of insurance surrendered for cash and except those released from active service under other than dishonorable conditions who are found by the Administrator to be suffering from a disability or disabilities for which compensation would be payable if 10 percent or more in degree and which renders such persons uninsurable at standard rates for ordinary life insurance. Such insurance would be issued on a nonparticipating basis and all premiums and other collections therefor and premiums and other collections hereafter received on nonparticipating insurance issued under other provisions of the National Service Life Insurance Act of 1940, as amended, would be credited directly to a revolving fund in the Treasury of the United States and any payments on such insurance would be made directly from such fund. A disability or disabilities for which compensation would be payable if 10 percent or more in degree would include those which are presumptively as well as those which are directly service-incurred.

Insurance provided under the new section 620 is similar to the so-called H insurance—or health insurance—previously granted to certain World War II veterans under the National Service Life Insurance Act who were unable to meet the health requirements for issue or reinstatement of insurance. Such insurance will be issued on a nonparticipating basis with calculations based on the American experience table of mortality and interest at 3 percent per annum compounded annually, as provided in the basic act. This section provides that on and after the date of enactment all moneys collected under this provision will be credited directly to a revolving fund in the Treasury and claims paid from this fund. Under present provisions relating to H insurance, premium and other collections are placed in the National Service Life Insurance Act appropriation and payments are made from such appropriation. Prospectively, such collections and payments would also be made to and from the revolving fund. Upon recommendation of the Bureau of the Budget, and with the concurrence of the General Accounting Office, this provision as to a revolving fund was included, since it was indicated that it would be desirable from the standpoint of sound accounting procedure. It should be emphasized that the amended language with respect to a revolving fund is simply a change in accounting procedure and will not in any way affect the benefits to which a veteran is entitled.

Under the existing H insurance (as shown by letter dated January 11, 1951, from the Veterans' Administration, appended to this report), there has been collected through October 31, 1950, a net of \$1,496,533.38 and at the same time \$648,463 has been paid on claims made against this appropriation, leaving a

balance of \$848,070.38. Thus, it will be seen that this fund is at least currently in a highly solvent condition, despite the fact that the group concerned is composed of impaired risks.

Section 10 also provides that waiver of premiums under the National Service Life Insurance Act shall not be denied on the ground that total service-connected disability commenced prior to the effective date of the new H insurance herein authorized. Under this type of insurance 80 waivers of premium are presently in effect on 72 lives.

The committee is of the opinion that the premiums for this nonparticipating type of insurance will be more than sufficient to meet the claims which may arise on such insurance in the future. However, provision is made that should a deficit occur, an appropriation can be made to the fund.

In connection with the revolving fund, the committee believes that the Administrator of Veterans' Affairs at some future time may find it desirable to review the experience under this type of insurance to determine whether this type of insurance could be maintained on a self-sustaining basis at a reduced premium.

#### SECTION 11

Section 11 provides that nothing in the act shall be construed to cancel or restrict in any way any rights under insurance contracts issued on or prior to the date of its enactment. The committee has been advised that in the absence of this specific provision the language of the bill would not preclude renewal of term insurance, if otherwise authorized, or future reinstatement or conversion of policies which have lapsed before or after the enactment of the bill. Should the question arise as a result of improper interpretation by any Government agency, it is the opinion of the committee that the courts would sustain the position that contract rights cannot be affected by subsequent legislation. In any event, section 11 will remove any doubt as to such matters.

#### SECTION 12

Section 12 states that part II may be cited as the Insurance Act of 1951.

#### SUMMARY

Thus, it will be seen that this bill provides a maximum uniform coverage for all men who entered the Armed Forces after June 27, 1950, and who will enter in the future. To the extent that it supersedes Government life insurance, it should eliminate all of the administrative costs and manpower currently required to handle applications, premium collections, records, and accounts under the National Service Life Insurance Act. It provides the same treatment to all survivors of men killed in the service of their country and authorizes insurance protection after separation from service in all cases where service-connected disabilities have impaired insurability.

#### ESTIMATE OF COST

In view of a number of indeterminate factors involved, it is not possible to make an accurate estimate of the cost or savings which would be effected by the bill. However, it is manifest to your



committee that its enactment, in lieu of the continuance of national service life insurance generally, will result in very substantial over-all savings to the Government. In this regard, the Comptroller General of the United States has estimated that had the indemnity program been in effect during the period from October 8, 1940, to June 30, 1949, in lieu of the national service life insurance program, the cost to the Government would have been reduced by approximately \$587,000,000.

#### INSURANCE IN FORCE AT END OF FISCAL YEAR INDICATED

The amount of insurance in force in programs administered by the Veterans' Administration and the number of such policies is important to this discussion and I am giving this information for the record.

#### United States Government life insurance

| Fiscal year | Number  | Amount          |
|-------------|---------|-----------------|
| 1950        | 484,793 | \$2,116,059,828 |
| 1949        | 500,784 | 2,182,180,750   |
| 1948        | 513,263 | 2,237,324,619   |
| 1947        | 531,053 | 2,310,343,804   |
| 1946        | 551,823 | 2,390,153,960   |
| 1945        | 567,941 | 2,454,864,117   |
| 1944        | 578,641 | 2,494,900,090   |
| 1943        | 580,631 | 2,498,855,907   |
| 1942        | 594,806 | 2,507,187,116   |
| 1941        | 613,408 | 2,567,332,036   |
| 1940        | 609,094 | 2,565,327,270   |
| 1939        | 606,071 | 2,562,353,868   |
| 1938        | 602,063 | 2,560,863,373   |
| 1937        | 608,982 | 2,578,338,638   |
| 1936        | 593,213 | 2,590,921,682   |
| 1935        | 590,865 | 2,605,400,400   |
| 1934        | 598,226 | 2,666,733,150   |
| 1933        | 616,059 | 2,782,708,583   |
| 1932        | 641,247 | 2,977,329,601   |
| 1931        | 646,055 | 3,024,444,627   |
| 1930        | 648,248 | 3,042,743,415   |
| 1929        | 650,066 | 3,059,919,329   |
| 1928        | 660,374 | 3,113,649,182   |
| 1927        | 587,980 | 2,893,044,640   |
| 1926        | 553,060 | 2,781,587,008   |
| 1925        | 552,340 | 2,865,028,729   |
| 1924        | 562,000 | 2,984,573,458   |
| 1923        | 580,965 | 3,070,290,817   |
| 1922        | 581,778 | 3,348,400,474   |
| 1921        | 651,054 | 3,849,375,735   |

#### National service life insurance

| Fiscal year | Number     | Amount           |
|-------------|------------|------------------|
| 1950        | 5,620,028  | \$35,809,439,817 |
| 1949        | 7,268,000  | 41,748,000,000   |
| 1948        | 6,437,000  | 37,675,600,000   |
| 1947        | 5,691,000  | 34,115,000,000   |
| 1946        | 6,997,200  | 45,240,000,000   |
| 1945        | 15,944,158 | 123,579,575,163  |
| 1944        | 14,858,838 | 111,575,690,856  |
| 1943        | 9,395,647  | 65,447,084,870   |
| 1942        | 1,460,884  | 6,083,895,947    |
| 1941        | 356,789    | 1,159,296,000    |

<sup>1</sup> Estimated. Because of the rapid demobilization following the cessation of hostilities and the large volume of lapses it was impossible to keep the tabulations current and in-force figures consequently were estimated.

#### NATIONAL SERVICE LIFE INSURANCE COVERAGE, WORLD WAR II

In support of the national service life insurance program in World War II as against the provisions contained in House bill 1, Eighty-second Congress, it has been pointed out that as of June 1945, approximately 96 percent of all servicemen had insurance coverage averaging \$9,500 per person. It is found, however, upon analysis of these figures that they do not give a true picture of the over-all situation as it existed from the beginning to the end of the shooting war.

For example, Army casualty reports as of November 27, 1942, show that 6

percent of the officers and 25 percent of the enlisted men killed in action were without insurance coverage. In another casualty report dated January 20, 1943, it was found that 13.79 percent of the officers and 20.05 percent of the enlisted men were without insurance. Two other reports, both dated April 5, 1943, from different theaters of war, established that all the officers had insurance coverage, but 27 percent of enlisted men were without insurance from one theater, and those with insurance coverage had policies averaging \$5,833. In the other theater, 22 percent of the enlisted men had no coverage and those with coverage had policies averaging \$7,000. Or, to put it another way, one of nine combat casualties had no life insurance whatsoever and for those covered, the average face value of policies issued from Pearl Harbor day to VJ-day was slightly over \$7,000.

The following table shows the percentage of insurance coverage for all persons in the Army and Air Force from August 1942 through December 1945:

| Month:        | Percent |
|---------------|---------|
| August 1942   | 63.6    |
| December 1942 | 73.4    |
| June 1943     | 75.7    |
| December 1943 | 88.7    |
| June 1944     | 92.8    |
| December 1944 | 94.6    |
| June 1945     | 95.6    |
| December 1945 | 96.2    |

It was estimated that the ratio for the Navy and the Marine Corps would be approximately the same as for the Army.

#### PRESENT NATIONAL SERVICE LIFE INSURANCE COVERAGE

It should be pointed out that as of October 31, 1950, there were 5,682,470 national service life insurance policies in force. After making deductions for those now in service, it is estimated that approximately 4,000,000 or 1 in 6 World War II veterans now have national service life insurance coverage.

Based upon Veterans' Administration statistical reports, it has also been estimated that approximately 1 in 14 World War II veterans recalled to active service would have national service life insurance coverage on a permanent plan.

There are no accurate figures available showing the percentage of men now in service covered by national service life insurance or the average amount of insurance held by those who have coverage. However, as of June 30, 1950, a survey by the Army shows the following: that 18 percent of those with dependents serving overseas and 22 percent of those with dependents serving in the United States had no insurance protection. Of those having insurance protection, 54 percent with dependents serving overseas had the full \$10,000 coverage and 50 percent of those in the United States had full \$10,000 coverage. Thus, it can readily be seen that a rather high percentage of our Armed Forces have no insurance protection and that the average amount of coverage for those who do have insurance is well under \$10,000.

#### EXAMPLE OF OPERATION AND SAVINGS UNDER SECTION 5 OF THE BILL H. R. 1

Section 5 of H. R. 1 provides several advantages to present holders of na-

tional service life insurance and I offer the following examples:

#### ORDINARY LIFE PLAN

If a veteran converted 5-year level premium term insurance at age 25 and paid premiums on \$10,000 for a period of 5 years, his cash surrender value at the end of 5 years would be \$457.60. After making a cash surrender and he desires to come back into the program at the end of 3 years, he would be required to pay back the \$457.60 without interest plus \$309.60 required reserve.

Had he stayed in the program, he would have paid \$493.20 in premiums over a period of 3 years. By getting out of the program for a period of 3 years and then coming back into the program, he saves \$183.60.

#### TWENTY-PAYMENT LIFE PLAN

Cash surrender value at end of 5 years amounts to \$954.90. After taking the cash surrender and the veteran desires to come back into the program, he would be required to repay the \$954.90 without interest plus \$657.25 required for reserve.

Had he remained in the program, he would have paid \$762.20 in premiums over a period of 3 years. By getting out for 3 years and coming back, he saves \$106.

If the veteran takes the cash surrender value and decides after serving a period of 3 years that he prefers to take out a new policy at the then attained age, instead of repaying the cash surrender value and the required reserve, the rate follows:

|  |         |
|--|---------|
| Age 33, ordinary life monthly premiums per \$10,000    | \$16.90 |
| Age 25, ordinary life monthly premiums per \$10,000    | 13.70   |
| Difference   | 3.20    |
| Age 33, 20-payment life, monthly premiums per \$10,000 | 24.40   |
| Age 25, 20-payment life, monthly premiums per \$10,000 | 21.20   |
| Difference   | 3.20    |

In order that the record may be complete on this proposal, I am inserting at this point the report of the Coast and Geodetic Survey on the provisions of H. R. 1:

[No. 7]

COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES

THE SECRETARY OF COMMERCE,

Washington, January 22, 1951.

HON. JOHN E. RANKIN,  
Chairman, Committee on Veterans' Affairs, House of Representatives,  
Washington, D. C.

DEAR MR. CHAIRMAN: There are attached in further reply to your request dated December 28, 1950, for a report with respect to H. R. 1, a bill to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes, the views of the Coast and Geodetic Survey thereon, and a letter from the Acting Assistant Director of the Bureau of the Budget with respect to the report of the Coast and Geodetic Survey.

If we can be of further assistance in this matter, please call on us.

Sincerely yours,

THOS. W. S. DAVIS,  
Acting Secretary of Commerce.

JANUARY 22, 1951.

To: The Secretary of Commerce.  
 From: Director, Coast and Geodetic Survey.  
 Subject: H. R. 1.

This is in reply to your request for the views of the Coast and Geodetic Survey with respect to H. R. 1, a bill to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes.

The Coast and Geodetic Survey agrees with the underlying principle of the bill that the Government has a responsibility for indemnification for loss of life or disability suffered by members of the uniformed services while on active duty. Because of the small number of Coast and Geodetic Survey officers who will be affected by the bill, we do not believe that we are in a position to make recommendation regarding the plan best suited to meet this responsibility.

This bill provides a gratuitous indemnity to all members of the uniformed services while in active service except that commissioned officers of the Coast and Geodetic Survey and of the Public Health Service are covered only under certain limiting conditions. These limitations, as regards Coast and Geodetic Survey personnel, present difficult problems of administration and constitute an inequity in the case of officers who, because of their value elsewhere, do not happen to be assigned to duty in the specific areas mentioned.

The bill is in accord with the recommendations of the Hook Commission as regards gratuitous indemnity except for the definition of persons in service as set forth in section 2. The Department has previously endorsed the findings of the Hook Commission, that insurance, retirement, and other benefits should be considered a part of the total emolument of members of the uniformed services. The Commission's report included recommendations as to basic pay, allowances, retirement, and severance pay, as well as a gratuitous plan of insurance for all active-duty personnel in the uniformed services, including Coast and Geodetic Survey officers without limitation. The Career Compensation Act of 1949 was a result of this study and provides uniform pay, allowances, and disability retirement for all services. The limitation imposed in section 2 of the bill has the net effect of a reduction in pay. Furthermore, the person so excluded will be forced to buy commercial insurance to provide his dependents the same protection that is given to others free of charge.

Coast and Geodetic Survey officers are commissioned, paid, and retired under the same or similar legislation as that for the Navy. It is believed that the uniformity of emoluments should be continued into the insurance program.

At the time he accepts his commission, a Coast and Geodetic Survey officer voluntarily becomes a member of a corps from which the President, under the act of May 22, 1917, at his discretion and without the officer's consent, may transfer him to the Army, Navy, Marine Corps, or Air Force in time of war or national emergency.

Coast and Geodetic Survey officers lose insurability with commercial companies by reason of their occupation when—

- (a) Ordered to duty in foreign countries.
- (b) Ordered to duty which requires flights in a capacity other than regular fare-paying passengers in scheduled commercial airplanes.
- (c) By virtue of the fact that they are subject to transfer to the Armed Forces, some insurance companies classify our officers as members of those forces or under orders for induction.

Approximately 5 percent of the corps has been or is now on foreign duty. Additional assignments of this type will probably be made in the near future.

Operations in Alaska have been expanded in recent years at the request of the Defense

Department. The only available transportation in most of Alaska is the bush plane. Consequently, a large number of our officers are required to make flights which render them uninsurable except at high rates. Nor does this work entitle them to flight pay.

Furthermore, there is no provision of law, except under special conditions, which offers any continuing benefits to the dependents of deceased Coast and Geodetic Survey officers. The gratuity proposed in this bill is a survivor benefit which should accrue to the dependents of all uniformed service personnel without limitation because of rank or assignment of the person in service.

For these reasons it is recommended that the definition of "persons in service" be rewritten to conform with the language of the Career Compensation Act and include all members of all uniformed services while on active duty, and that the term "Armed Forces" be changed to read "uniformed services" wherever it appears in the bill.

If we can be of further assistance, please call upon us.

R. F. A. STUDDS,  
 Rear Admiral, United States Coast  
 and Geodetic Survey, Director.

EXECUTIVE OFFICE OF THE PRESIDENT,  
 BUREAU OF THE BUDGET,  
 January, 17 1951.

The Honorable the SECRETARY OF COMMERCE.

MY DEAR MR. SECRETARY: This is in reply to Mr. Davis' letter of January 15, 1951, enclosing four copies of a proposed report to the chairman of the House Committee on Veterans' Affairs on H. R. 1 and H. R. 3, bills to authorize payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of Armed Forces who die in active service, and for other purposes.

H. R. 1 and 3 would extend gratuitous indemnity protection to the Coast and Geodetic Survey employees under the same conditions as national service life insurance protection is extended by the provisions of section 2 of Public Law 786, Seventy-seventh Congress. While it is true that Public Law 786 provides eligibility only during "the period of the present war" World War II has not been terminated for purposes of this law. Commissioned officers of the Coast and Geodetic Survey are therefore eligible for national service life insurance and would be eligible for indemnity protection under H. R. 1 or 3 if serving outside the continental United States, in Alaska, or (under some circumstances) in the coastal waters of the United States.

Your report recommends that H. R. 1 and 3 be revised to extend their benefits to Coast and Geodetic Survey employees under any and all circumstances. This would mean that an agency which under ordinary circumstances has been considered a civilian agency would for the purposes of these bills be classified as a military agency. It is the view of the Bureau of the Budget that this would represent a basic change in the status of the Coast and Geodetic Survey and therefore should not be considered in the context of H. R. 1 or 3. Moreover, since World War II has not been terminated for the purposes of Public Law 786, Seventy-seventh Congress, it would seem unnecessary to consider such a basic change at this time.

Your attention is also called to the fact that certain of the Coast and Geodetic Survey employees eligible for survivor protection under H. R. 1 or 3, would also be eligible for survivor protection under the terms of the Federal Employees' Compensation Act 1916, as amended. Section 7 of this act provides that any individual entitled to receive gratuitous benefits under the Federal Employees' Compensation Act shall elect whether to receive such benefits or those provided under other provisions of law. There appears to be some doubt that the

benefits provided by H. R. 1 and 3 would be covered by section 7. The Bureau of the Budget is, therefore, recommending that the language in H. R. 1 and 3 be clarified to eliminate any possibility of duplicate benefits in this respect.

While there is no objection to the submission of your report to the committee, it is requested that a copy of this letter be transmitted therewith for the committee's information.

Very truly yours,  
 DONALD B. MACPHAIL,  
 Acting Assistant Director,  
 Legislative Reference.

Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. ELLIOTT], a member of the subcommittee that held the hearings and reported the bill.

Mr. ELLIOTT. Mr. Chairman, as we apparently race headlong into another world war, due largely to conditions that we have no control over, it becomes necessary that we again look into the proposition of providing a system of insurance for the servicemen who are now being called in large numbers into the service. The system of national service life insurance which came into effect in October 1940 has been criticized very roundly by many people, by some veterans and some veterans' organizations. The Veterans' Administration, charged with the administration of that act, has been roundly criticized from time to time but I say to you as one who has tried to look into this proposition very carefully over a period of the last several months, as one who served on the subcommittee of the Committee on Veterans' Affairs of the House that held hearings and unanimously reported this bill, that I am convinced that the wonder of it is that the Veterans' Administration has been able to do as well in the administration of the national service life insurance system as they have been able to do. It is generally recognized among commercial insurance companies that a company can actually put insurance on the books too rapidly. They tell us that it costs about \$1.10 to \$1.15 for each first year premium dollar to put the business on the books. The national service life insurance necessarily has operated in such a way that, beginning in October 1940 with no policies, in a period of about 5 years it wrote some 16,000,000 policies on the servicemen of this country. Immediately following World War II it was faced with the proposition that those policies, along with the demobilization, were dropped very rapidly, with the result that today we have in force only about one out of six of those policies.

The Veterans' Administration has had to operate under extremely difficult conditions. The changing insurance picture, changing needs for personnel to administer the system, and all those things, have made it not only extremely difficult but extremely costly.

I was very much surprised to learn as a result of the hearings we held that if we had had the bill H. R. 1, which we propose here today, in force from October 1940 to June 30, 1949, we could have administered that law at a saving of about \$600,000,000 over that period; in other words, had the bill we propose here



today been in effect we would have realized a net saving in the cost of administration of approximately \$65,222,000 per year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I am glad to hear the gentleman make that statement, as it bears me out in my efforts in February 1942 to do this very thing. In other words, had the Congress at that time accepted my bill, H. R. 6512, which appears in the Record of June 8, 1942, on page 5029, and which was introduced in February of that year, instead of ruling it arbitrarily out of order when it was offered as an amendment to another bill on that day, the taxpayers of this Nation would have been ahead an additional \$600,000,000.

Mr. ELLIOTT. I thank the gentleman for his observation.

The administrative problems connected with national service life insurance were so complicated and so heavy during the years we have mentioned that last year the Assistant Administrator for Insurance of the Veterans' Administration declared before the Porter-Hardy subcommittee that it was doubtful whether the system could go through another national emergency and could provide itself with the trained manpower that would be needed to operate the system. Of course, in peacetime, the manpower problem would not be difficult to solve, in itself, if no consideration is given to the cost factors involved. It is in time of national emergencies, in time of world wars that we are faced with the urgent necessity of conserving manpower, man-days and even man-hours.

Since the Assistant Administrator for Insurance made his statement, as we know, an emergency has developed and it now behooves us, as I see it, to try to work out some system which will be practical and will avoid the extreme costs of the present system, costs both in terms of manpower and in terms of dollars.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. POTTER. Was any effort made by your subcommittee to find out whether private insurance companies could take over the contracts which the Veterans' Administration now has with the veterans to provide them that insurance? In other words, I am reluctant to see the Federal Government engaging in insurance business or any other business unless it is absolutely necessary. And I am wondering if your subcommittee went into that field to see if the private companies would not take those contracts without having these costs to the veterans as the situation now is.

Mr. ELLIOTT. I will say to the gentleman a representative of the commercial companies advised privately that the large insurance companies have considered such a proposal and found it not to be feasible. I am inclined to think that with the shifting situation which exists in connection with the national service life insurance it would be impossible or practically impossible

for present contracts to be taken over. I think if we are to improve the system, the improvements will have to be made from here on out, rather than to improve anything that has occurred in the past. Of course we all realize that nothing can be done, and I think there is no desire on the part of anyone, and certainly not on my part to do anything which would in anywise impair any contract of national service life insurance which is outstanding at the present time.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the chairman of the House Committee on Veterans' Affairs, the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from Michigan, that the insurance companies said they would not and could not take up the existing policies.

Mr. POTTER. I thank the gentleman for that information.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Should this bill become law, does it mean that the Government eventually will get out of the life insurance business?

Mr. ELLIOTT. Yes; the Government will largely get out of the life insurance business, but will not get out of that phase which is provided for in this bill where in the event a veteran is unable to procure life insurance, within 90 days after he has finished his service, at standard rates from commercial companies, then he is entitled to continue his insurance under the terms and provisions of this bill under what is commonly known as H insurance or health insurance under the National Service Life Insurance System.

Mr. VAN ZANDT. Is it to be assumed the veteran who cannot buy standard life insurance 90 days after his discharge from the service was not disabled while in the service?

Mr. RANKIN. Yes.

Mr. ELLIOTT. Any veteran who dies within 90 days after discharge is covered by this bill no matter what the cause of his death. After that, at any time a veteran develops a service-connected disability and is uninsurable by commercial standards he may get insurance.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Is there any provision providing for the reinstatement of a policy which might have lapsed? I am thinking of the veteran who may let his insurance lapse. Could he be reinstated in any way under the provisions of this bill.

Mr. ELLIOTT. There is nothing in this bill which would impair the present right of reinstatement that goes along with every contract of insurance issued under the National Service Life Insurance Act of 1940, as amended. It is the same right as exists today for reinstatement or conversion.

Mr. GOLDEN. How long would that exist? How much time is given for him to reinstate his insurance?

Mr. ELLIOTT. As the law now stands he could reinstate it or convert a permanent policy at any time, under certain conditions, as long as he lives. In the case of term insurance the reinstatement must be made before the term expires—that is the law today in which we are making no change. The Congress must continue to extend the 5-year level term premium plan under which these policies are presently being operated for this to be true.

Mr. GOLDEN. Does that only apply to the 5-year term insurance policies in force, or does it extend to those veterans who have let their policies lapse, who have a certain period of time in which they could reinstate them?

Mr. ELLIOTT. They could reinstate them in accordance with the provisions of the contract which lapsed, regardless of the type of national service life insurance contract which lapsed.

Mr. GOLDEN. There is no provision in this act which violates any of the rights of a veteran under the contracts they may have, is that correct?

Mr. ELLIOTT. The gentleman is exactly right, and to be absolutely sure about that, we wrote in section 11, from which I quote:

Nothing contained in part I or part II of this act shall be construed to cancel or restrict any rights under insurance contracts issued on or prior to the date of its enactment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. FORD. In answer to the inquiry by the gentleman from Pennsylvania, you said that if a veteran could not get private insurance coverage within 90 days at standard rates, that was an inference that he had a service-connected or non-service-connected military disability. Does the gentleman from Alabama mean to infer that that turn-down would be prima facie evidence which could be used in the veterans' application for a disability pension? I do not think you intended to go quite that far.

Mr. ELLIOTT. No; I did not. And in clarification of the gentleman's question, I want to read from section 620 of the act:

Sec. 620. Any person who is released from active service under other than dishonorable conditions on or after the date of enactment of the Insurance Act of 1951, and is found by the Administrator to be suffering from a disability or disabilities for which compensation would be payable if 10 percent or more in degree which renders such person uninsurable at standard rates for ordinary life insurance, according to recognized underwriting requirements of nongovernmental insurers, shall, upon application in writing and payment of premiums as provided in this act, be granted insurance by the United States against the death of such person occurring while such insurance is in force.

Mr. FORD. In other words, if he qualifies in that respect, then he is eligible for this insurance, for those who cannot get coverage under commercial policies?

Mr. ELLIOTT. That is true.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. VAN ZANDT. Is it not true the veteran must have a service-connected disability before he is eligible to extend his insurance?

Mr. ELLIOTT. That is right, although that service-connected disability need not necessarily be 10 percent in degree, that it need not be sufficient in degree to entitle him to compensation benefits under the compensation laws.

Mr. FORD. Mr. Chairman, will the gentleman yield further?

Mr. ELLIOTT. I yield.

Mr. FORD. Is the 90-day period ample for veterans to apply for this kind of insurance if they cannot get commercial policies?

Mr. ELLIOTT. I am inclined to think that 90 days might be sufficient.

However, under the bill as reported by the committee, the veteran may obtain insurance at any time he can show he has a service-connected disability which makes him uninsurable at standard rates by commercial companies.

Mr. POTTER. Mr. Chairman, will the gentleman yield again.

Mr. ELLIOTT. I yield.

Mr. POTTER. Did I understand you to say that the veteran has a right to reinstate his present policy or former policy? In other words, I want to know what would happen to a veteran who had a policy and whose policy lapsed and then H. R. 1 becomes law. Would he have a right then to reinstate his former policy?

Mr. ELLIOTT. He certainly would, in complete accordance with the terms and conditions of the contract between him and the national service life-insurance system under the policy which he allowed to lapse or dropped.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. BONNER. As I understand the gentleman, nothing in this act affects the World War I policy that is now in effect and has been paid up.

Mr. ELLIOTT. The gentleman is entirely correct.

Mr. BONNER. All of the benefits that are guaranteed under that contract continue?

Mr. ELLIOTT. The gentleman is correct.

Mr. BONNER. And adjudication of the policy will be carried out by the Veterans' Administration, and no other agency?

Mr. ELLIOTT. The gentleman is correct. Likewise, the same is true with respect to policies of national service life insurance issued to veterans of World War II. There is nothing in this act whatsoever that impairs any right which any policyholder now has.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. ELLIOTT] has expired.

Mr. RANKIN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. EVINS. I think the gentleman should point out that while there is

nothing in this legislation which would impair the right of contract with veterans of World War I and World War II, if part II of the bill is adopted there will be no further issuance of national service life insurance to future veterans.

Mr. ELLIOTT. Except those who are disabled, in accordance with the provision that I have mentioned.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. BAILEY. I wish to ask the distinguished gentleman from Alabama if any thought was given in the preparation of this legislation to the terms of the new selective or universal military training bill that is now up for consideration by the Armed Services Committee of the House and the Senate? In other words, the thought I am trying to get across is that after their term of 21 months' or 27 months' training they can still be held in the Reserves for another 7 years, making the man available for approximately 10 years. Is there anything in this legislation that when a man comes out of his 27 months' or 21 months' training and his policy is automatically canceled, to continue it while he was in the Reserves?

Mr. ELLIOTT. He would be automatically covered on return to active military service.

Mr. BAILEY. I think we ought to take that into consideration in drafting this legislation. We ought to know what we are running into in this new selective-service requirement.

Mr. ELLIOTT. It seems to me that we solve this problem when we provide coverage for everybody in the armed services.

Mr. BAILEY. I am talking about the Reserves.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. KEARNEY. I may say to the gentleman from West Virginia that there was not any contemplated plan for taking care of the Reserves or the National Guard unless the Reserves or the National Guard were called into active service. It does not make any difference how long they are in active service, whether it be a day or a year they are covered while they are on active duty even after they serve their 27 months or whatever length of time it is.

Mr. BAILEY. Mr. Chairman, will the gentleman yield further?

Mr. ELLIOTT. I yield.

Mr. BAILEY. Would they at the expiration of their 27 months of service, or 21 months, as the case may be, cancel that policy and then when he was called from the Reserves back into active duty write a new policy for him?

Mr. ELLIOTT. It would not be necessary to write a policy at all. When the soldier left the service his coverage would expire in 90 days. If he were recalled his \$10,000 coverage would be automatically reinstated.

Mr. BAILEY. Here is another thing to consider: A man goes into active service at the age of 21 and serves his 21 or 27 months and he serves so long in the Reserves, 6, 8, or 10 years. He is that much older than he was when he

entered the service, and the rate of commercial insurance on him would have doubled what it was at age 21. That is another thing that ought to be considered.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. VAN ZANDT. It is my understanding the person while on active duty is automatically covered under the provisions of this bill. Is that right?

Mr. ELLIOTT. That is right.

Mr. VAN ZANDT. When he is released to inactive duty the policy terminates, but if he is called back to active duty the policy is revived.

Mr. ELLIOTT. That is right.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. JAVITS. Is it not a fact that this bill represents a fundamental change in the matter of the type of insurance provided? You are going to give all indemnity against the hazards of being in the armed services, not as a perquisite such as we gave them in World War II but on a very much different basis.

Mr. ELLIOTT. That is right.

Mr. JAVITS. While I am not saying we do not have the right to change the policy, yet I say that if we do change it we ought to be clear so that there can be no question left that this is a fundamental change of policy; this is no longer a perquisite that is given to the men for serving in the Armed Forces.

Mr. RANKIN. The coverage is very much broadened and includes the ones who could not take out insurance, men who never had been insured before.

Mr. JAVITS. I am not arguing on the merits of the legislation; I am only pointing out that this does represent a fundamental change in policy.

Mr. ELLIOTT. That is right. Under the policy in effect in World War II we never were able to get universal coverage of all the people brought into the Armed Forces. As a matter of fact, after spending years trying to sell insurance to the members of the Armed Forces—and every single unit in the military forces, so far as I know, had at least one officer who was designated as insurance officer as an additional duty, we never did achieve universal coverage. Try hard as we did, we were unable to get more than 95 percent coverage; and that came only in December of 1945.

Mr. CLEMENTE. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. CLEMENTE. The gentleman said that if a man were recalled to active duty he would be covered by this insurance.

Mr. ELLIOTT. That is right; if he is a National Guard man and is recalled for a period of 14 days or longer or a member of the Organized Reserves and is recalled for a period of 30 days or longer, he is covered; and, in addition, he is covered on any military flights in Government planes.

Mr. CLEMENTE. If the reserve converted his insurance to what extent are they covered during the period of suspension, during inactive service? If he converted his insurance to endowment



payments or annuity payments and came back to service would he still be covered?

Mr. ELLIOTT. I am not sure I understand the gentleman's question but I want to make this statement as a matter of clarification. Any person on and after June 27, 1950, who enters the armed services is covered by this automatic \$10,000 indemnity. If he has national service life insurance on the 5-year level term premium plan, he can lapse that and take advantage of the indemnity provided by this act. When his service is over he may renew his national service life insurance coverage. The same thing is true with people who have converted their policies. In addition, it permits a conversion principle which I will try to find here and read to the gentleman right now.

Section 5 provides:

The automatic indemnity coverage authorized by section 2 shall apply to any person in the active service of the named Armed Forces who, upon death in such active service, or within 90 days after separation or release from such active service as prescribed in section 2, is insured against such death under a contract of national service life insurance or United States Government life insurance.

Any person in active service, who is insured under a permanent plan of national service life insurance or United States Government life insurance, may elect to surrender such contract for its cash value. In any such case the person, upon application in writing made within 90 days after separation from active service, may be granted, without medical examination, permanent plan insurance on the same plan not in excess of the amount surrendered for cash, or may reinstate such surrendered insurance upon payment of the required reserve and the premium for the current month.

Mr. CLEMENTE. When he is recalled to active duty and has a converted insurance plan, can he continue his insurance?

Mr. ELLIOTT. Absolutely.

Mr. CLEMENTE. And not take this insurance policy at all?

Mr. ELLIOTT. He may completely ignore the plan set forth in H. R. 1 if he deems that to be his best interest.

Mr. CLEMENTE. A young boy 21 years of age is in the service and is covered by this insurance. His civilian rate at that time would be five-dollars-and-something a month. Suppose he decided he did not want your insurance and wanted to buy it himself so that when he completed his service he would be able to convert his insurance. Could he do that under this bill?

Mr. ELLIOTT. No; this bill does not provide for those people coming into the Armed Forces since June 27, 1950, any insurance after the expiration of 90 days after discharge from the service, except for those so disabled by their service that they cannot obtain commercial insurance at standard rates.

Mr. CLEMENTE. The point is whether he could buy his own insurance now as he enters the service.

Mr. ELLIOTT. Does the gentleman mean from commercial companies?

Mr. CLEMENTE. No; from the VA under the National Service Life Insurance Company.

Mr. ELLIOTT. No, he cannot.

Mr. CLEMENTE. In other words, we are cutting off this right; this bill cuts off that right?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Mississippi.

Mr. RANKIN. This bill gives him automatic insurance to the amount of \$10,000, which is the limit under any consideration.

Mr. ELLIOTT. That is right. This bill, of course, gives absolutely free to every person who enters the armed services \$10,000 of coverage. It gives it to him free rather than charge him \$6 or \$7 per month as is true under the present system. In addition to that, it has the effect of saving thousands of employees in the Veterans' Administration, and it saves probably fifty to sixty million dollars per year in administrative cost.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. RANKIN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Let us consider the case of a former serviceman who holds, we will say, insurance from World War I and he is called back to active duty for the present emergency. He elects to retain his present World War I insurance. Who will pay the premiums?

Mr. ELLIOTT. He will pay the premiums.

Mr. VAN ZANDT. He will pay the premiums?

Mr. ELLIOTT. Yes.

Mr. VAN ZANDT. If he pays the premiums on his World War I insurance, will he still be covered by the \$10,000 gratuitous insurance policy for the present emergency?

Mr. ELLIOTT. He will not.

Mr. VAN ZANDT. He cannot have both?

Mr. ELLIOTT. That is right.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Oklahoma.

Mr. ALBERT. What about the case of the presently existing term insurance held by veterans of the last war?

Mr. ELLIOTT. They can continue that insurance if they desire to do so, or they can drop it and be covered by the automatic coverage provided by this act; then reinstate 90 days after their discharge from the service.

Mr. ALBERT. I know, but those that do not go back into the service, does this affect their term insurance?

Mr. ELLIOTT. This does not affect them in any manner or means whatsoever.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the gentleman if he is in a position to advise the Members of the House as to the comparative premium rates on policies under this act as compared to the policies under

the Veterans' Administration as they are administering it at the present time. What is the premium rate? The statement was made by the chairman of the committee that had it been in operation since 1940 it would have saved \$587,000,000.

Mr. ELLIOTT. That is the testimony of the General Accounting Office.

Mr. BAILEY. That leads me to the assumption that the rates under this bill are going to be considerably lower than the rates that the veteran would have to pay now; \$5, \$6, or \$7 a month.

Mr. ELLIOTT. There are no rates.

Mr. BAILEY. Well, there must be. Somebody is paying the insurance.

Mr. ELLIOTT. Well, Uncle Sam is paying out of the Treasury just as he paid for 89 percent of the deaths that grew out of World War II.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I understand the gratuitous feature of it, but what about the man after he gets his honorable discharge? Can he buy national life insurance from the Government?

Mr. ELLIOTT. He cannot, unless he has a service-connected disability that would prevent him from obtaining commercial insurance at standard rates.

Mr. LECOMPTE. Under this bill he cannot?

Mr. ELLIOTT. He cannot.

Mr. LECOMPTE. There is no way for him to buy?

Mr. ELLIOTT. Unless he is a veteran of World War I or World War II and has some reinstatement rights under United States Government life insurance or national life insurance.

Mr. LECOMPTE. But a young man going into the service under selective service or who volunteers, would have gratuitous insurance in the armed services, but he cannot buy.

Mr. ELLIOTT. Unless he has an injury that will prohibit him from obtaining ordinary life insurance.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. My understanding is that if a veteran of World War II has a policy which has expired or lapsed, he has a right to reinstate or purchase a policy. If this bill passes, would he still have that right?

Mr. ELLIOTT. He certainly will. He will have the same rights he has now.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from New York.

Mr. KEARNEY. I would like to ask the gentleman from Alabama to clarify this thought having been expressed here. This amount is in a total of \$10,000. In other words, if a reservist is called back into the service carrying, we will say, \$5,000 of national service life insurance, this amount of \$10,000 would not be cut in half so that he would be able to carry the \$5,000 national service life. He would have to either drop that or he would have to drop it in order to qualify, or his beneficiaries, for the \$10,000.

Mr. ELLIOTT. If I understand what the gentleman is asking, if he came into the service with \$5,000 of national service life insurance, and if he kept that \$5,000, then he would have in addition to that \$5,000 of the indemnity provided by this act so as to make a total of \$10,000, but no more than that total.

Mr. KEARNEY. In other words, the beneficiaries could not claim any more than the total.

Mr. ELLIOTT. They could not claim any more than \$10,000. But, I endeavored to point out to the gentleman that this bill provides that the fruits of this insurance can only be paid to the beneficiary in amounts of \$92.90 per month over a period of 120 months, or 10 years, and \$92.90 times 120 figures out more than \$11,000 that this policy would bring to the beneficiary.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield.

Mr. ELLIOTT. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. My understanding is if a reservist is called in for active duty and he is killed on the day he is called in, then his family would receive \$10,000 insurance?

Mr. ELLIOTT. That is right, and that is one provision of this act that is more liberal than the National Service Life Insurance Act. It provides that any person who under orders is called into the service for a period of 30 days or more is covered from the time he becomes in travel status from his home to the station where he reports, whether he be a Reserve or a National Guardsman or a selectee under the Selective Service System Act of 1948. He would still be covered in the event of duty. This would cover those who were killed in the Pennsylvania train wreck and those members of the Tennessee Air Guard killed at Myrtle Beach, S. C.

Mrs. ROGERS of Massachusetts. And this will go on all through the years, not just at this time?

Mr. ELLIOTT. That is right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, last December 18, only about a month ago, this House passed without a dissenting vote H. R. 9911, which provided a gratuitous indemnity of \$10,000 for all members of the Armed Forces. Unfortunately, the Senate took no action upon the measure, and it died with the adjournment of the Eighty-first Congress.

The bill we are considering today, H. R. 1, is similar in most of its details to the former measure. A few changes have been made, but the only alterations are of a perfecting nature.

For the benefit of those Members of Congress who were not here when the measure was under consideration in December, I will review the provisions of the bill. It provides that on and after June 27, 1950, each and every person in the Armed Forces is insured against death in the amount of \$10,000 without cost to the person. This, naturally, would cover all of those who have been killed in the Korean conflict, as well as those National Guard men who died in the tragic train wreck, and those who died later in the airplane disaster.

Protection covers the period from order for induction into active service and for 90 days after separation from service.

If a person is disabled in service to such an extent as to make him uninsurable at standard commercial rates, he may obtain national service life insurance after his separation from service, and if his disability is permanent and total, waiver of premiums may be granted.

After enactment of this measure, entrance into United States Government life insurance and the national service life insurance program is barred. However, any person in the active service having one of these policies may continue it in force or if he has surrendered a permanent-plan policy for cash, he may reinstate it or be granted a new policy on the same plan and in the same amount without a showing of good health.

Beneficiaries are limited to the surviving spouse, child, or children—including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured—parent—including a stepparent, parent by adoption, or person who stood in loco parentis to the insured—brother, or sister of the insured.

Maximum indemnity of \$10,000 with interest at the rate of 2¼ percent per annum is payable in 120 monthly installments. This makes the monthly installment \$92.90. The total payable under this plan amounts to \$11,148 over the 10-year period.

This indemnity is exempt from the claims of creditors and from taxation.

This proposal for gratuitous indemnity stems from a resolution passed by the Committee on Veterans' Affairs last May. At that time a subcommittee had completed rather extensive hearings on amendments to the National Service Life Insurance Act and it resolved that the staff of the committee should conduct an investigation during the recess of Congress of the possibilities of a new insurance law to take the place of the present National Service Life Insurance Act, but not to alter contracts that are presently in existence.

Pursuant to this resolution, the staff conducted a number of meetings with representatives of the four veterans' organizations chartered by act of Congress, the Veterans' Administration, Department of Defense, General Accounting Office, and the Bureau of the Budget.

As a result of these meetings, several bills were prepared for consideration by a special subcommittee on insurance, which conducted extensive open hearings, beginning November 23, 1950. All proposals were given minute consideration and finally the bill we have before us today was reported from the Committee on Veterans' Affairs without a dissenting vote.

That there is a great need for gratuitous indemnity is obvious, but I would like to present to my colleagues one or two salient facts concerning insurance during World War II. With the enactment of the measure under consideration we hope to eliminate such discrepancies.

As many of you know, who were in the Armed Forces during World War II, a great drive was made in every echelon of our services to bring service men and women under the protection of our Government insurance laws. Especial emphasis was made to insure those who were serving in combat areas. However, despite the careful screening and broad propaganda measures used to sell Government insurance to all who were in danger, Army casualty reports as of November 27, 1942, show that 6 percent of the officers and 25 percent of the enlisted men killed in action were without insurance coverage. In another casualty report, dated January 20, 1943, it was found that 12.79 percent of the officers and 20.05 percent of the enlisted men were without insurance. Two other reports, both dated April 5, 1943, from different theaters of war, established that all of the officers had insurance coverage, but 27 percent of the enlisted men were without insurance from one theater and those with insurance coverage had policies averaging only \$5,833. In another theater, 22 percent of the enlisted men had no coverage and those with coverage had policies averaging \$7,000. Or, to put it another way, one out of nine combat casualties had no life insurance whatsoever and for those covered, the average face value of policies issued from Pearl Harbor to VJ-day was slightly over \$7,000.

The bill we have before us today covers every man who enters the Armed Forces and it covers him or her equally. All of us have had distressing experiences with those cases where men were killed without insurance or with too little insurance. That would not happen under this measure.

The fact that everyone would be covered equally is, to my mind, the primary reason for the enactment of this legislation. There are other compelling reasons for the passage of the bill. Testimony during our hearings, and during hearings on a similar subject before the Committee on Expenditures in the Executive Departments, developed that had this legislation been in effect during the period 1940-49, the cost to the Government would have been reduced by approximately \$587,000,000. Aside from the tremendous saving in money, the great reduction in the number of personnel necessary to carry out the program is important. Undoubtedly, if the conflict in Korea continues at its present pace or if it develops into a world war III, every saving in manpower we can make must be made.

As I stated when we passed the bill last December, it is not a perfect bill, and I doubt that we can ever enact a measure that would be perfect, but it is, in my opinion, the proper approach to a problem that we must solve. I have long favored gratuitous indemnity for our fighting men and everyone will agree with me that there is an imperative need at this time for the enactment of this legislation.

In talking with my colleagues about the proposal, several of them expressed the hope that the bill could be amended so that the dependents of a deceased



serviceman could obtain a small lump-sum payment immediately after death. The committee had such a proposal under consideration, but decided eventually that such a clause was unnecessary, in view of the 6-month gratuity paid to the dependents of each deceased person in the Armed Forces. Under the existing pay tables, the amount of this gratuity runs from more than \$500 for a private to more than \$6,000 for high-ranking officers. In the enlisted branch, payments run from \$576 to \$1,429, according to rank. This immediate payment was deemed sufficient to take care of any emergency need caused by the death of the serviceman.

Testimony before the committee developed that all of the services have a standard casualty form which is in every man's jacket, and every man throughout the service has a standard pay card, and either one of those could be adapted so that there would be no need for the Veterans' Administration to keep any file on who was going to get the insurance until such time as a man died.

Administrative procedures would be simplified materially. Instead of having a file of 26,000,000 insurance cases, as happened in World War II, the Veterans' Administration would not make up a file until such time as it was notified that the man had died. Then its function would be to pay the 120 installments to the dependents who had been certified by the Department of Defense.

I hope that the House will pass this bill today. The need for it is great. Our casualties in Korea are appalling and we have a moral duty to care for the dependents of these men who were told to fight for the United Nations.

Our committee has labored long and well upon the technicalities of the subject. It is not easy to enact legislation that will please all, but I believe this bill is the proper approach to the existing problem, and I hope it will pass.

Mr. Chairman, I should like to bring out again one point that I think has not been brought too clearly: that the maximum indemnity of \$10,000, with interest at the rate of 2½ percent per annum, is payable in 120 monthly installments. This makes the monthly installment \$92.90. The total payment under this plan is \$11,148 over the 10-year period, so it gives the recipients an additional \$1,000 or more, which is very helpful.

Mr. Chairman, I am heartily in favor of this bill.

Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, as has already been stated, the bill H. R. 1 provides a gratuitous indemnity in the sum of \$10,000 to the survivors of all members of the Armed Forces killed while on active duty on and after June 27, 1950, without any cost to the servicemen.

Before going into the provisions of this bill, let me say to my colleagues that I have always favored this type of insurance for the men and women in the armed services. I only wish this sort of legislation had been on the statute books during World War I and World War II.

We have been advised that if this type of legislation had been on the statute books, particularly as reported in a bill sponsored by my colleague from Minnesota [Mr. H. CARL ANDERSEN], we would have saved the taxpayers of the country somewhere between \$585,000,000 and \$1,000,000,000.

Mr. RANKIN. If the gentleman will yield, that would have been the saving in World War II. If this law had been in effect from the beginning of World War I down to the present time the Government probably would have saved billions of dollars in administration costs.

Mr. KEARNEY. I thank the gentleman.

The bill comes to the House as a result of a rule granted by the Rules Committee after a hearing held last Friday afternoon.

Mr. Chairman, this bill is practically the same as passed the House on December 18, 1950, then known as H. R. 9911.

Weeks of intensive hearings were conducted by a subcommittee of the Veterans' Affairs Committee of the House. The Veterans of Foreign Wars, the Disabled American Veterans and the AM-VETS have all heartily endorsed the bill and have asked for its speedy enactment into law. I cannot let this occasion go by without complimenting the members of the subcommittee for a job well done.

In addition to providing a gratuitous indemnity in the sum of \$10,000 to the survivors of those killed on and after June 27, 1950, it provides protection for the individual for a period of 90 days after his release from active duty in order to permit a readjustment to civilian life and determine the sort of commercial insurance he wishes to obtain.

To go on with the provisions of the bill, the beneficiaries are limited to the immediate family of the serviceman and the indemnity is paid over a 10-year period in monthly installments of \$92.90, with interest at 2¼ percent.

Veterans of World War I or World War II may maintain their insurance if they are recalled to active duty, or they may avail themselves of the gratuitous insurance. Those who have the permanent insurance may surrender the policies for cash and reinstate them at a future date with a saving to the individual. This applies to reinstatement of term insurance also.

The provisions of this bill do bar the individual from taking out national service life insurance or United States Government life insurance, but anyone having either of these policies may reinstate them, if lapsed, in the manner now followed where the policy has lapsed.

The provisions of this bill cover such tragedies as the railroad wreck on September 11, 1950, when National Guard men of the Pennsylvania National Guard were bound for Camp Atterbury, Ind. These lads had just gone into the Federal service and had no opportunity to file any application before they were processed into the Federal service. These men gave their lives for their country, were on active duty, and were killed as though they were in Korea. It is just that the families of these men should be protected.

Mr. Chairman, some members have asked if this is, in effect, a substitute for the national service life insurance program we had during World War II. My answer is that it is. It is a step toward taking the Government out of permanent life insurance business and, while protecting members of the armed services while on active duty, will save millions of dollars to the Government. The Bureau of the Budget has indicated its approval of the legislation under discussion. I want it understood that by the provisions of this bill, any individual so disabled as not to be able to obtain insurance from commercial life insurance companies can, if he had national service life insurance in the past, reinstate it, or if he did not, he will be permitted to take out Government insurance. If in addition he is totally disabled as a result of service he may obtain this insurance and the premium will be waived.

Mr. Chairman, the bill also covers National Guard men while on 2 weeks' active service during the summer months of field training—aviation pilots flying a few hours a week or a month—aviation cadets on active duty.

As a member of the Veterans' Affairs Committee, I will say to the House that this bill was reported from committee by a unanimous vote and I believe it to be a constructive piece of legislation and should be passed.

Mr. Chairman, I know that the information I am about to give to the House will be interesting if not revealing. During World War I, when the members of the Armed Forces totaled 4,500,000, the number of war-risk insurance policies, at its peak, was only 660,000. In World War II there were approximately 16,000,000 national service life insurance policies in effect, and from 1945 to 1946 over 9,000,000 of those policies were dropped by the individual. Today there are approximately 5,500,000 policies in effect. These figures are somewhat startling; are they not? The beneficiaries are limited to the immediate family of the serviceman, and the indemnity is paid over a 10-year period, as has already been explained by the gentleman from Alabama [Mr. ELLIOTT].

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. JAVITS. There is one thing that troubles me, and that is whether the subcommittee looked into the question of whether a man who is brought into the Armed Forces is thereby deprived of the opportunity at that point of getting standard insurance from a civilian company, and whether or not, therefore, he should be protected for the difference between the premium rate at the age when he was called into the service, and the premium rate at the age when he was discharged from the service.

Mr. KEARNEY. I was not on the subcommittee, I will say to the gentleman from New York. I would like to ask the gentleman from Alabama [Mr. ELLIOTT] if he has any knowledge of that.

Mr. JAVITS. If I may repeat the question, then. Assuming that a man was called into the service and cannot

at that point get commercial insurance or regular civilian insurance. Was there any thought given to protecting him as to the premium rate which would be effective as of his age when he was called into the service and higher premium rate effective at his age when he is discharged? In other words, he would have to seek insurance when he was discharged. Was any thought or any consideration given to that problem?

Mr. KEARNEY. No consideration was given to that.

Mr. JAVITS. I thank the gentleman.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. POTTER. Under the present program of the national insurance, is it not true that after his 5 years is up, then he goes in at his present age? When he renews his policy he has to renew it at his present age? Am I right in that assumption?

Mr. KEARNEY. You mean if you are carrying the 5-year term?

Mr. POTTER. Yes.

Mr. KEARNEY. Yes; that is so.

Mr. POTTER. So, so far as the question asked by the gentleman from New York [Mr. JAVITS] is concerned, it would have no effect, as far as term insurance is concerned?

Mr. KEARNEY. That is correct.

Mr. CLEMENTE. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. CLEMENTE. Was any consideration given to the question of giving the man an opportunity to pay for his own insurance so that he could use it when he came out?

Mr. KEARNEY. Not under the provisions of this bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEARNEY] has again expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I, too, as a member of the subcommittee which held hearings on this bill, urge the Members of the House to support this legislation.

It should be made clear here, and there is seemingly some question about it, that this is a new approach. It substitutes the principle of indemnity for the system of premium-paying insurance. I think every member of the subcommittee, every member of the Veterans' Affairs Committee, was completely aware of that change of approach. We realized exactly what we were doing in bringing this measure to the floor.

There are several advantages to that new approach, to the new system of indemnity coverage that would be granted to every serviceman when he went on active duty. Three major advantages can be summarized as follows:

First. It gives more adequate coverage to the man in the service.

Second. It will result in the elimination of a tremendous administrative overhead.

Third. The net cost to the taxpayers of this country will be less.

Taking those three things into consideration, any drawbacks that might be mentioned—and there have been a number of good questions asked about it—certainly fade into insignificance in view of the advantages that will be obtained under this program.

Briefly, I think we might go into those three advantages, as I see them, for just a minute.

First, more adequate coverage: I do not think there is a Member on this floor today who has not been bothered—perhaps that is not quite the correct word—but who has not had a number of veterans in his district who have had their insurance papers fouled up. The beneficiaries of other people have had to wait for months in an attempt to get some of these things untangled. This bill does away with all of that. It simply says to a man, "We are not going to try to write out anything and give you a policy. You are automatically covered. These are the people who are the beneficiaries of that kind of indemnity that you get." There is not any heavy overhead. We simply certify that this man has lost his life while in the service and the beneficiaries are entitled automatically to get that money.

Not only a great number of bookkeeping transactions that we now have, and the fact that those records have been inadequately kept, but often have been lost—that in itself is a substantial advantage of this new kind of program.

That hints at the second advantage; that is, the elimination of the tremendous amount of administrative overhead. During World War II the Veterans' Administration had some 26,000,000 files on various men who had been in the service at one time or another. If this legislation had been in effect there would have been about 400,000—less than a half million. In other words, about one-fiftieth the number of files would have been required if we had had this legislation in effect.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. KEARNEY. It also protects the individual, does it not, who, under some circumstances, might not even take out any insurance while in the service? So automatically he is protected or his beneficiaries are, or his heirs, up to \$10,000.

Mr. DAVIS of Wisconsin. I think that is an important point. It should be brought out that the Government is stepping in here to protect the beneficiaries, the dear ones, of a man who has shown himself so irresponsible as to not want to take out the kind of insurance that he could under the present program.

This cutting down of bookkeeping work will make possible a substantial reduction in existing personnel besides forestalling the great number of additional personnel that would have to be hired if the present program were to be used with the great number of additional servicemen who are now being called to the colors. We already have in excess of 2,000,000 civilian employees in the Government, and I think that anything

that can reduce it substantially ought to appeal to everyone in this House.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mrs. ROGERS of Massachusetts. And is it not true that a good many of the veterans have lost their insurance because they let it lapse? Under this bill they will, of course, be covered.

Mr. DAVIS of Wisconsin. That did happen in many cases. In a period of all-out mobilization, or even in the present emergency that we now have there always exists a shortage of qualified manpower. Here we have another example where we simply would not be able to do the job in an efficient manner if the present program were to be continued. This bill permits the doing of a better job for the serviceman with a whole lot less personnel. For instance, during 1944 and 1945, the two big years of the war effort in World War II, the Army and the Air Force alone found it necessary to allocate 7,000 man-years during 1944, and over 8,000 man-years during 1945 simply to do the paper work in connection with the national service life insurance program. That is over and above the thousands of man-years that were necessary in the Veterans' Administration to continue that program. This in spite of the diversion of this manpower from the necessary war effort.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. RANKIN. Let me call the attention of the distinguished gentleman from Wisconsin to the fact that, according to the Comptroller General, had this law been in effect during the recent war we would have saved \$587,000,000 in administrative expenses. That would have been enough to pay \$10,000 apiece to 58,700 men, or more men than we have lost, both killed and wounded, in this Asiatic conflict.

Mr. DAVIS of Wisconsin. As I understood it, Mr. Chairman, it was not only the saving of that amount of administrative expense; it was a net saving to the taxpayers of this country on payments made during that period.

Mr. RANKIN. A net saving of that amount, enough to have taken care of all the men who have been killed, wounded, or injured in this Korean "police action."

Mr. DAVIS of Wisconsin. I do not think it is any wonder that Mr. Harold Breining, the Assistant Administrator for Veterans' Insurance, when he testified before the Hardy subcommittee, stated that it would be an almost impossible task to try to administer a national service life insurance program if we had another period of complete mobilization. In the testimony the gentleman from Virginia [Mr. HARDY] asked him this question:

In the event we have another war, would we not be able to use the present national service insurance legislation?

Mr. Breining's answer was: "I think from a manpower standpoint it would be unsatisfactory."



Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. STEFAN. As I understand this legislation, if it is enacted into law the benefits will begin on June 25, 1950?

Mr. DAVIS of Wisconsin. June 27, 1950.

Mr. STEFAN. It will expire after the man's service, plus 90 days.

Mr. DAVIS of Wisconsin. That is when his indemnity coverage expires; that is correct.

Mr. STEFAN. If this legislation is enacted into law when will we stop writing national service life insurance policies?

Mr. DAVIS of Wisconsin. We will stop writing any new national service policies as of the day this law becomes effective. There will, of course, continue to be men who now have national service life insurance policies or who are entitled to reinstatement of such policies who would continue to have their national service life insurance just as they have it today.

Mr. STEFAN. Those who want to convert—

Mr. DAVIS of Wisconsin. Or those who have converted.

Mr. STEFAN. Or those who cannot secure commercial life insurance policies, will they be able to receive a national life insurance policy?

Mr. DAVIS of Wisconsin. They would have what is known as H insurance, those men whose insurability has been reduced, but they would also have, if I may say to the gentleman from Nebraska, the right of present term policyholders to reinstate that policy. That is the right they had when they took out the original contract.

Mr. STEFAN. But new national life insurance will not be written after the enactment of this law?

Mr. DAVIS of Wisconsin. Yes, that is right.

Mr. STEFAN. What will happen to the 9,000,000 policies that were dropped in 1945 or 1946 as explained by the gentleman from New York [Mr. KEARNEY] a little while ago, some dropped because they could not pay; could they reinstate under this legislation?

Mr. DAVIS of Wisconsin. Yes, they have a contractual right to do that. We are not affecting their present national life insurance policy at all.

Mr. STEFAN. They could reinstate?

Mr. DAVIS of Wisconsin. They could reinstate.

Mr. STEFAN. When it is stated that this takes the place of a national life insurance policy, it only takes place in those cases where new policies are required?

Mr. DAVIS of Wisconsin. Let us say where a new policy would otherwise be written, because there is not any policy under this bill.

Mr. STEFAN. There would be some additional national life insurance policies written where they are converting or where they have made a conversion, where they have shown they cannot get regular commercial life insurance policies?

Mr. DAVIS of Wisconsin. Yes.

Mr. STEFAN. I notice in the bill that we have taken all kinds of services, including the Coast Guard and Public Health officers and the Coast and Geodetic Survey, which automatically goes into the Navy when there is a crisis or war. Reference is made to the commissioned officers. What happens to the men?

Mr. DAVIS of Wisconsin. They will be covered under this.

Mr. STEFAN. It does not say so. It only says "commissioned officers of the Public Health Service while entitled to full military benefits as provided in section 212 (a) of the act of July 1, 1944; and commissioned officers of the Coast and Geodetic Survey while assigned to duty during a period of war or an emergency." It says nothing about the men who man the ships.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from New York.

Mr. KEARNEY. I did not quite get all of the gentleman's question but if I understood correctly what I did hear, there are no noncommissioned officers in the Coast and Geodetic Survey and there are no privates. They are all officers.

Mr. STEFAN. There are commissioned officers in the Coast and Geodetic Survey, but they have large crews. What happens to the men who man the ships?

Mr. KEARNEY. We were definitely advised there are no noncommissioned officers, no warrant officers, or no privates in that organization.

Mr. STEFAN. Who mans the ships? There is a crew, is there not?

Mr. KEARNEY. For instance, the merchant marine does not come under this bill.

Mr. STEFAN. The Coast and Geodetic Survey does. I am just looking for information.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Kentucky.

Mr. MORTON. It is my understanding those ships are manned in time of war by the Coast Guard personnel and that officers are the only employees of the Coast and Geodetic Survey at sea. The Navy and Coast Guard furnish the personnel.

Mr. STEFAN. I see.

Mr. KEARNEY. They would come under the provisions of this bill.

Mr. STEFAN. The merchant marine is not covered?

Mr. DAVIS of Wisconsin. No.

The third advantage of this proposal is the one which has been mentioned here several times and which I want to reiterate. That is, the cost would be less, and I refer to the total over-all cost. I think it should be made clear here, in order to understand, that if a man under the present program is killed while on military duty, the money to pay his beneficiary does not come out of the national life insurance fund. There has been considerable misunderstanding about that. That money today comes out of the general fund of the Treasury, and it would under the program which we are recommending

here today. So that perhaps explains to many Members who would question the fact that the cost would be less. Actually a great deal of that money is being paid for by the taxpayers now. This gets rid of a lot of administrative costs, and adds a few more, not a great many more, whose beneficiaries would be paid out of the general fund. I think we can appreciate the administrative cost of the present program when we realize that the administrative cost for other than the armed services, which would be the Veterans' Administration, the Treasury, and so forth, ran in the neighborhood of \$600,000,000 during World War II, and that the armed services spent over \$100,000,000; that there was \$31,000,000 paid in premiums for the aviation cadets.

Now, there has been some objection raised to this bill by those who object because it does not permit all persons who now start to serve in the Armed Forces to continue some form of Government insurance after discharge. Well, this bill has so many advantages that that one objection, if it be an objection, certainly ought not to carry any weight here. For my part I cannot see any more reason for a subsidized insurance program for an able-bodied veteran than I can see for the Government to sell him his groceries and his clothing or any other commodity that he may need under a method which compels the Government to pay the administrative cost thereof.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from New Jersey.

Mr. HAND. Under section 620 of the bill, if anyone is injured in the armed services and therefore is not insurable on regular rates, he may still have Government insurance; is that not right?

Mr. DAVIS of Wisconsin. That is right.

Mr. HAND. Would that be under the National Insurance Corporation now set up?

Mr. DAVIS of Wisconsin. Yes; that will be handled as it is at the present time. It is not interfered with at all.

As I see it, Mr. Chairman, this bill would provide indemnity coverage for the men who wear the uniform of our country. It would get the Government out of the insurance business in times of peace; it would get rid of a great deal of administrative overhead that is not necessary and, thirdly, it would save the taxpayers of this country some money. I think there are overwhelming reasons why this House should pass this bill unanimously today, just as it did in the closing days of the Eighty-first Congress.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I would like to compliment the subcommittee upon their very remarkable work in bringing this bill to the main committee and the chairman of the committee and members of the committee for reporting it. I do not think any committee ever worked

any harder over a bill than the subcommittee, with the staff of the Committee on Veterans' Affairs, and the veterans' organizations, too. They have done a remarkable piece of work.

There is one thing I would like to bring out that I think some of the Members perhaps have forgotten, and that is that a man, a soldier, upon being separated from the service, receives a gratuity in the form of 6 months' pay. The amount of this gratuity runs from \$500 for a private to more than \$6,000 for the high ranking officers. In the enlisted branch it will run from \$576 to \$1,429, according to rank. This immediate payment, while not sufficient to take care of any emergency that was caused by the death of a serviceman, will be a great help. Some of the Members wish that a lump-sum payment of \$1,000 or \$2,000 could be given to the widow or the child of a beneficiary and I agree with those Members, but the committee decided that this amount would suffice.

If a lump-sum payment should be given, I think the other body will take care of it. Also I am under the impression that perhaps the other body will take care of allowing the man to take out Government life insurance after 90 days and I hope it will. I do not believe the bill could be amended on the floor without great confusion, even if the Members should want to amend it and at the moment the primary consideration is to pass the gratuitous insurance provision.

Mr. KEARNEY. If the gentlewoman will yield, in addition to what has already been spoken of here by the gentlewoman from Massachusetts, the widow, for instance, of the soldier, sailor, or marine, is also entitled to a widow's pension.

Mrs. ROGERS of Massachusetts. Yes; that is absolutely true. Of course, that pension does not start immediately, and the widow or the orphans would need that money at once.

Mr. Chairman. I yield 7 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, in any debate upon such a bill as this, which provides for a gratuitous indemnity for all members of the Armed Forces, I think it is most important to get to the salient features of the bill. As has been said, I think there are possibly two important ones. The one with reference to the gratuitous indemnity has already been discussed at quite some length. The second feature of this bill, and it seems to me certainly one that is just as important as the first one, is that after the veteran is separated from service the Government is out of the life-insurance business.

I know there are many here who have served in the Armed Forces, as I have, who may be asking why we should take the United States Government out of the insurance business for veterans. Much has been said here about the fact that there could have been saved over a half billion dollars if this bill had been in effect during the past 10 years. I should like to give a couple of examples which I think are pertinent to show the extreme administrative costs that have been incurred in the past 30 years.

I made a survey on my own and found that to service a definite number of policies in one standard life insurance company, the Metropolitan Life Insurance Co., it would take, according to their figures, 343 people; but I found that in the Veterans' Administration to service the same number of policies it took 1,560 people. This alone, I think, gives you some idea of the inefficiency when Government takes over a business in which it is not an expert in that particular field.

I wanted to find out what it would cost to service a policy upon myself, having been a veteran beginning 8 years ago.

I find that a man of my age who went into the service at 32 paid \$7.80 a month. I am still paying the same figure. If I included the refunds which I have received from the Veterans' Administration since 1942, I have paid approximately \$5.50 per month. Gentlemen, that same term life insurance policy in an old-line company today costs approximately \$13 per thousand at my age. I think you can see that the Government is operating at a dead loss of approximately 58 percent for national life insurance policies issued to men at my age, which is 41 years.

Let me give you just one more example of what inefficiency in this kind of a program can amount to. At one time in the thirties the Pension Bureau of the Veterans' Administration was paying out approximately \$4,000,000 a year. The cost to the Bureau to administer that program was approximately \$3,000,000. This is, indeed, to me, a new Member, a sad picture of what the cost of administering this type of thing was before World War II.

To me this bill accomplishes two purposes. First, it will indemnify dependent survivors of every veteran killed from June 27, 1950. Second, it will take the United States Government out of the life-insurance business for veterans after they are separated from the service. At that period the obligation of the United States Government is definitely ended insofar as insurance is concerned.

I do not believe the Members of this body want a program which could extend, like the veterans' pension program of the Mexican War of 1848, for another 100 years.

It is my understanding this bill has the endorsement of three of the four major veterans' organizations. It has the endorsement of the National Association of Life Insurance Underwriters, and although there were commercial insurance representatives present, they did not commit themselves upon the program. However, I think it is safe to say that a large segment of this business favors the gratuitous approach and believe it would be advantageous to the servicemen and to the country.

Last, as a new member of the Committee on Veterans' Affairs I was most impressed by the thoroughness with which this whole bill was studied. I believe that the committee has done about the best job that could have been done in reporting this bill to the House. I believe it is fair to the members of the Armed Forces. As one who spent 41

months in the service, I think I got the approach of the enlisted man and the officer to this particular problem. I believe, from experience over a long period of years, you will find in your own district that this will be well received. It is an adaptable program, which is workable, and it is the most economical plan that could be provided for the servicemen.

Mr. RANKIN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the bill we are considering here today is substantially the same measure as was reported unanimously by the Committee on Veterans' Affairs in the closing days of the Eighty-first Congress and passed by unanimous consent on the floor of the House at that time. It has been again favorably reported as was well pointed out. I think in view of the Korean situation it is very important that this constitute a part of the initial legislation of this new Congress. I have supported this measure both in committee and on the floor of the House. It has already been pointed out as to what the bill provides. It provides \$10,000 indemnity coverage for all men called into the service. The bill is made retroactive to June 27, 1950, and covers the National Guard men who were killed in the train crash in Ohio last summer, and also the Tennessee guardsmen who were killed in an airplane crash while returning from maneuvers in South Carolina. There are other excellent features of the bill, including the monthly installment payment of \$92.90 per month over a period of 10 years. The bill also restricts payments to members of the serviceman's family. The measure exempts the indemnity from claims of creditors and from taxation. All of these features of the bill are meritorious and beneficial and commend it for passage.

However, as has been pointed out, a new policy is injected into the bill with respect to part II of the bill. The position of the American Legion has not been made known heretofore with respect to this legislation. It has been said several times that two or three of the major veterans' organizations favor it, but we have here the testimony of representatives of the American Legion with respect to the measure. In brief, I might quote them as follows.

In testimony before the committee on this bill, T. O. Krable, chairman of the national rehabilitation commission of the American Legion said:

We cannot be a party to any abridgment of the benefits and provisions that have been made by the Government to both veterans of World War I and World War II. The American Legion strongly urges that provision be made that veterans be permitted to continue their national service life insurance after separation.

Certainly the right of the veteran to obtain national service life insurance should be preserved and the right to existing benefits continued, all considerations of service being taken into account. The American Legion adopted a resolu-



tion at Indianapolis on November 19, last, reading, in part, as follows:

The American Legion reaffirms its stand that national service life insurance and United States Government insurance contracts and trust funds established heretofore should be preserved, and that an opportunity to obtain national service life insurance should be continued for members of the Armed Forces and veterans.

I have an amendment at the Clerk's desk which would permit a man, after being discharged, to apply for national service life insurance if he cares to do so. The argument has been made that such a provision would continue the Government in the insurance business. Let me say that the Government is going to continue in the insurance business for a long time to come, regardless of the action we take here today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. May I just finish this statement first, and then I will be glad to yield.

The information I have been able to obtain is that only one out of seven ex-servicemen have continued their national service life insurance after discharge. That is, as of now, only 10 percent of the veterans of World War I have continued their national service life insurance, and only 25 percent of the veterans of World War II have continued their insurance. So the number is not great, but those who wish to contract for Government life insurance should be permitted to do so after discharge. My amendment would permit this.

Here are some of the reasons why it should be done: Because it is a right that was given to veterans of World War I and extended to veterans of World War II. But to veterans of the Korean War we would deny them the right to have national service life insurance. Those men who are fighting today will probably be 2, 5, or 10 years older after the war, by which time the commercial insurance rates for them will have been enhanced. We do not know how long the emergency will continue. Commercial rates to some of our veterans might have become prohibitive by the end of the emergency and during the time they are in service. Disabilities might have been incurred which, although not recognized by the Veterans' Administration, might be recognized by commercial insurance companies, and a veteran thereby might be denied the right to take out insurance after discharge.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. EVINS] has expired.

Mr. RANKIN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. EVINS. I am wholeheartedly and strongly in favor of the automatic coverage feature of this bill and am, of course, supporting the legislation, but I feel my amendment would improve and perfect the legislation by permitting the continuance of national service life insurance after discharge. Let us not say in effect to our future veteran that "After you are released from the service we will forget all about your service;" but rather let us say that a grateful Nation appreciates the service and sacri-

fice of our men of arms. Let us say that America will not forget. Let us perfect this legislation and let us pass it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman has mentioned certain coverage. Would it cover a case of this kind? A plane from the Philippines to Okinawa went into the mountains on December 19. The plane went down and some army personnel were killed. Would this bill cover a case of that kind?

Mr. EVINS. If the accident occurred after June 27, 1950, and if it were incident to call or maneuvers it would cover such an accident.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. EVINS. I thank the gentleman. I hope that the amendment which will be offered later may have the favorable consideration of the House.

The argument was made, as was pointed out, that this bill will take the Veterans' Administration out of the insurance business. May I say that it is going to be necessary for the Government to continue in the insurance business for the next 50 years because of existing contracts.

It has been further insisted that the bill will effect a savings in manpower. To the extent that the measure does so, I applaud the action taken. However, the manpower requirements of the bill will take effect largely after the war is over and history and experience of veterans' insurance show that only about one out of seven ex-servicemen continue their insurance and the manpower argument is not persuasive. As I say, I hope the amendment will be agreed to. If it is not adopted here, I feel sure I can predict that it will be adopted in the other body.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Kentucky.

Mr. MORTON. In World Wars I and II men had no coverage unless they paid for it. Is not that correct?

Mr. EVINS. That is quite true.

Mr. MORTON. So the enlisted man gets the benefit of this indemnity even though he is not permitted under the terms of the bill before us to get in on the national service life insurance program.

Mr. EVINS. Not on the national life insurance program for that is, in effect, discontinued, but he is given war service insurance coverage. After serving a period of four, five, or more years, and after discharge the veteran may find the commercial insurance rates so high as to be prohibitive.

Mr. MORTON. We can deal with that when that question comes up.

Mr. EVINS. The gentleman has pointed to the crux of this bill, the question of insurance coverage after a man has been honorably discharged and released from the service. Our future veterans should be entitled to apply for national service life insurance on the

same basis as veterans of World Wars I and II.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from New York.

Mr. KEATING. May I inquire of the gentleman from Tennessee whether he has submitted this amendment to the committee and whether it was considered there? And, if so, what was the result?

Mr. EVINS. This amendment was not considered by the committee. The bill was reported out the first day that the committee met when the committee was organized, and the amendment was not considered. But I will say to the gentleman that it has had very careful consideration in its draftsmanship.

Mr. RANKIN. Why does not the gentleman from Tennessee tell the House that he did not bring this amendment before the committee, and that he seconded the motion to report the bill out as it is?

Mr. EVINS. I not only seconded the motion to report the bill but I have consistently supported this measure. I think the bill is a good bill but that we could improve upon it by adoption of the amendment which I have proposed.

Mr. RANKIN. Another point I would like to make for the benefit of the Members is that in previous wars the serviceman did not have the benefit of this automatic insurance.

Mr. EVINS. I may say to the gentleman that representatives of the American Legion not only made Legion position clear in testimony before the subcommittee but also sent to me a statement of its position on this issue and this statement was passed around by me to members of the committee but was not acted upon.

What action we take here today may well determine the economic security of untold thousands of families of veterans in the future. Under unanimous consent I ask that letters and telegrams in relation to this matter be included with my remarks at this point in the RECORD.

VETERANS OF FOREIGN WARS  
OF THE UNITED STATES,  
NATIONAL LEGISLATIVE SERVICE,  
Washington, D. C., January 15, 1951.

Re H. R. 1.

HON. JOE L. EVINS,

Member of Congress,

House Office Building,

Washington, D. C.

DEAR MR. EVINS: It is my understanding the House Committee on Veterans' Affairs will meet Tuesday morning, January 16, to consider what action shall be taken on H. R. 1, a bill to authorize the payment of a gratuity indemnity in the amount of \$10,000 to survivors of members of the Armed Forces who die in active service, retroactive to June 27, 1950.

As legislative spokesman for the Veterans of Foreign Wars of the United States I am pleased to advise that our organization is in full accord with this bill and we strongly urge early and favorable action by the Committee on Veterans' Affairs in reporting the bill to the House.

Representatives of the Veterans of Foreign Wars of the United States have followed closely the lengthy hearings on all phases of insurance coverage for service personnel, first, in the subcommittee of the House Committee on Executive Expenditures and,

secondly, in the study and hearings by the staff and subcommittee of the House Committee on Veterans' Affairs. It is our considered judgment that the gratuitous indemnity approach is the sound and reasonable method to protect the survivors of active service personnel who are killed or may die in the service.

In view of the lengthy hearings which were held on the insurance question during the Eighty-first Congress and the fact that H. R. 1 is almost identical with H. R. 9911 which was reported by the Veterans' Affairs Committee and approved by the House of Representatives in the closing days of the Eighty-first Congress, may I respectfully suggest that H. R. 1 be reported without the necessity of lengthy and formal hearings. It is quite likely that hearings will be held on the Senate side and I can see no valid reason for the House to duplicate the lengthy and voluminous work which was done in the Eighty-first Congress.

Respectfully yours,

OMAR B. KETCHUM,  
Director.

WASHINGTON, D. C., January 15, 1951.

Hon. JOE L. EVINS,  
House of Representatives:

Disabled American Veterans endorses H. R. 1 and would appreciate your support of measure. Extensive hearings were held in Eighty-first Congress on similar proposal and these printed hearings available Veterans' Affairs Committee room. Anything you may do toward obtaining favorable report of H. R. 1 will be appreciated by DAV.

FRANCIS M. SULLIVAN,  
National Legislative Director.

THE AMERICAN LEGION,  
NATIONAL LEGISLATIVE COMMISSION,  
Washington, D. C., January 16, 1951.

Hon. JOE L. EVINS,  
House of Representatives,  
Washington, D. C.

DEAR MR. EVINS: In keeping with your telephone conversations this morning with Mr. T. C. Kraabel and myself relative to H. R. 1, I enclose several copies of a brief analysis showing our position in connection with this bill.

We are sending the extra copies to you so that you may have them available in the event you wish to distribute them to the other members of the House Veterans Affairs Committee.

Thanking you for your courtesy in the matter, I am,

Sincerely yours,

MILES D. KENNEDY, Director.

COMMENTS ON H. R. 1, EIGHTY-SECOND  
CONGRESS, FIRST SESSION

THE AMERICAN LEGION,  
NATIONAL REHABILITATION COMMISSION,  
Washington, D. C., January 16, 1951.

We respectfully submit the following views of the American Legion as to this legislation:

1. We agree that there should be an automatic-insurance protection for the members of the Armed Forces in active service from June 27, 1950.

2. We believe the extension of this protection can best be accomplished under the formula already established by Congress in its amendment to the National Service Life Insurance Act of 1940 by the act of December 20, 1941. If this were done there would be protection from the beginning of hostilities, viz, June 27, 1950, up to 120 days after the enactment of an amendment to that effect.

3. We agree this automatic protection should be in the amount of \$10,000 and that no dependency of the parent should be required. As to definitions of persons entitled, we believe that the rules established under existing law should govern.

4. Our principal objection to H. R. 1 is the revolutionary change that is proposed in that the right of servicemen and veterans of the present hostilities to contract for insurance in service and after separation would be taken away from them. True, the bill provides for those suffering from disabilities incurred in service to take out insurance, but we submit that such an arrangement is fraught with unknown expense and difficulties in that service connection for disabilities is not established in thousands of cases until years after separation from service. If the committee is intent upon adoption of the life indemnity provisions of the bill, then the American Legion strongly urges that provision be made for veterans to obtain contract national service life insurance after separation, whether or not disabled.

5. The American Legion must vigorously object to any benefit being withdrawn from veterans which they now have. The right of persons to obtain new United States Government life insurance or new national service life insurance should not be impaired, providing they had the requisite service, either in World War I or World War II.

T. O. KRAABEL,  
Director.  
CHARLES W. STEVENS,  
Assistant Director.

Mr. RANKIN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I think the committee is to be commended for this very constructive piece of legislation.

Most of us, I think, when we reach our first reaction on this legislation find it difficult to realize that we can provide a gratuitous indemnity at less cost to the Government than was the case when a premium was charged for insurance policies; nevertheless, that is the fact. There seems to be some question as to the amount of savings that will be effected; the estimates run all the way from \$450,000,000 over a 10-year period to over a billion. I am inclined to go along with the estimate of the General Accounting Office of \$587,000,000. I think that is conservative and that perhaps the savings may actually be somewhat more than that, while at the same time there is general coverage for all of the men in the services rather than purely for those who elect to pay premiums.

I want to talk about another phase of this matter this afternoon. I was in a meeting of the Committee on Armed Services considering a revision of the selective service law under which we are proposing to induct men below the age of 19. We are forced to that position because of the critical manpower shortage. A great deal has been said about the administrative cost to the Veterans' Administration, but I have not heard much said about what it costs the armed services for their participation in the national service life insurance program. I have not heard a great deal said about the military personnel whose time is consumed in explaining national service life insurance to the personnel of the services. I call attention of the Committee to the fact that in 1945 in the Army and Air Force alone more than 8,000 man-years of military personnel were employed in connection with national service life insurance.

As our Military Establishment increases in size—I do not know what is being required at the present time—the demand and the requirements upon the military to detail men for the handling of national service life insurance will increase and if it has not already reached the point it reached in 1945 it will very soon. It is inconceivable to me that we should take more than 8,000 men who otherwise would be serving in a military capacity and assign them to purely administrative work in connection with the sale of national service life insurance to the men. That is a gross waste of manpower in my judgment.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Tennessee.

Mr. EVINS. The statement which the gentleman has just made would not apply, however, after the war is over.

Mr. HARDY. Of course, the gentleman is correct. But when do we need this military personnel? We need them while the war is going on, we need them now, and if the situation becomes worse we are going to need them more than we do today.

Mr. EVINS. There is nothing in the bill which would divert the manpower under this automatic coverage.

Mr. HARDY. Under the automatic coverage these people would not be required for national service life insurance purposes. They could be used for much more useful purposes.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. May I say to the gentleman from Virginia that I did quote to the House the figures which he just mentioned regarding the 8,000 man-years for 1945. I got those figures from a very good report which the subcommittee, headed by the gentleman now addressing the Committee, made in connection with a study on this subject. I want him to know also that our subcommittee leaned very heavily upon the information which his subcommittee uncovered in that respect as well as in many other respects in formulating this legislation.

Mr. HARDY. I thank the gentleman. I do recall the observation concerning the statement which Mr. Breining made in connection with the situation which would arise in the event we had an emergency. Mr. Breining made a flat, unequivocal statement before our committee that in another national emergency the manpower would not be available to the Veterans' Administration if we should continue the national service life insurance program.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman.

Mr. HARDY. I am grateful to the gentlewoman from Massachusetts.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Mississippi.



Mr. RANKIN. Would the 8,000 people the gentleman from Tennessee is talking about be carried on the roll under the pretense they are needed?

Mr. HARDY. The 8,000 people I have reference to are members of the Armed Forces and that covers only the Army and Air Force. It does not include the Navy personnel. If those people were released from their duties in connection with the handling of national service life insurance, and they would be, they could devote their time and attention to much more essential activities.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Is it not true that in the gentleman's subcommittee you were unable to get any breakdown from the Veterans' Administration as to how many thousand man-years it is now taking them to administer this law?

Mr. HARDY. That is correct. I was interested in listening to some comparisons made by one of the gentlemen on this side a while ago as between the personnel required by commercial insurance companies and the Government insurance agency. I do not know where he got his figures because we were not able to secure them. Certain functions in connection with life insurance are carried on by other divisions than the insurance division in the Veterans' Administration and as a consequence there is no breakdown and you cannot get the figures.

Mr. Chairman, there is one more point I want to call attention to. The Veterans' Administration right now maintains approximately 23,000,000 individual active and semiactive insurance files. If H. R. 1 had been in effect in 1940 the Veterans' Administration would have less than 500,000 insurance files, a reduction in administrative paper work of more than 95 percent.

If there is one thing we can do without in Uncle Sam's Government today, it is some of the unnecessary paper work that goes on. There are a great many factors that enter into the cost of national service life insurance to the Government. I am pretty sure they have been discussed, perhaps, in some of the debate that I have not heard. But the main thing to me that this legislation means to the servicemen and to the families of the servicemen is that, regardless of whether the individual has sufficient foresight to take out insurance, his dependents are protected and covered. We had relatively a small percentage of the total people in the service during the last war who had the foresight to protect their families in that manner. Under this legislation, every man will be treated equally. I think it was a travesty on justice where we had, we will say, three people that might have been killed at the same time. One of them had \$5,000 insurance under national service life. His beneficiary under that policy received the \$5,000 paid for out of the Federal Treasury. He was killed in combat. The second man had a \$10,000 policy, and Uncle Sam out of the Federal Treasury paid his beneficiary \$10,000. The third

man had not seen fit to pay the premium to cover him for insurance, so consequently Uncle Sam paid nothing to his beneficiary. Now, it seems to me that the life of one man means just as much to the Nation as the life of another, and each of them should have had equal treatment.

Mr. RANKIN. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. HAMILTON C. JONES].

Mr. HAMILTON C. JONES. Mr. Chairman, I have been a member of the Committee on Veterans' Affairs for the last 4 years. I consider this one of the most important bills that we have ever considered. It has been my privilege to vote for it twice before the committee and once before the House, and I look toward voting for it today. There are a great many GI's who are not able to take out the insurance. I know of a number of them who are not able to take out the insurance and did not take it out and do not have it now. This gives it to them, I think, at a minimum cost, and I think it is a splendid bill.

Mr. Chairman, this bill is one of the most important bills of its kind coming before the Committee on Veterans' Affairs since I have been a member of the committee. The question of insurance has been an enigma before the committee for some time. We have all been impressed with the fact that the program for insurance of GI's has been costing more than it should without recurring benefit to the veterans or the Government. Furthermore, we have been impressed with the fact that many GI's have not been protected by death insurance. Some because of carelessness, but most of them because of the cost of insurance added to many other expenses made it financially impossible for them to carry it.

It has been estimated by the Comptroller General that had this program been in effect during 1940 through 1949, the cost to the Government would have been reduced by approximately \$587,000,000. This bill is a practical, efficient one and should be passed by the Congress as it sets up a protection in case of death for every GI without any cost to him and at the same time saves the Government the enormous expense over a period of years of collecting and receipting premiums paid and naturally reduces the cost of the insurance program in case of death by substantial figures as above stated. And, last but not least, it gives a protection of \$10,000 in case of death to every GI in the service of his country, which continues through the period of induction into the service and 90 days after separation from same.

I am very strongly in favor of the bill, and wish I could discuss it more fully.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, in these trying times as we occupy ourselves so extensively with the problems overseas we are apt to overlook the problems that are at our very side and seem to forget the tremendous and terrifying national debt that is following in our wake. If we do not take

affirmative action in this area shortly, we will not have to concern ourselves with communism overseas, because it will already have made a salient attack in our back door.

The basic question before us today is whether you believe in bureaucracy, whether or not you want the United States Government to be in a business, in which I personally do not believe it should be. That is the basic decision we have to face, and that will be the issue on which we will vote when the amendment is presented to this bill.

I believe this legislation faces up to our responsibility. It was recommended by the Hook Commission. It contains that very unusual combination of giving free and wider benefits to servicemen and their dependents, and at less cost to the taxpayer.

The basic features of the bill are outlined in detail in the report and have also been outlined by previous speakers. It is not my intention to reiterate them at this time. However, down through the years it has been evident that the national life insurance system has not been satisfactory. Intermittent legislation has been necessary to placate the symptoms of inadequacy that are in the system. This is the first time we have made a real attempt to get at the causes of the trouble.

Among the faults of the National Life Insurance Act was that it did not, in fact, give uniform benefits to all members of the service. That was because, unfortunately, many members in the lower-paid brackets did not have the financial ability nor the interest to select this particular program.

There is a serious question in my mind, too, Mr. Chairman, whether or not we should call national life insurance real insurance, because the fact of the matter is, that at the present time between 80 percent and 89 percent of the payments are paid, not out of the fund, but by direct appropriations of the Federal Government. The present system is complex, and it is expensive. It costs \$80,000,000 a year and requires 25,000 people to operate it.

I call the attention of the committee to the report of the Veterans' Administration Insurance Administrator, appearing on page 3 of the committee report, in which he said in part:

In time of emergency I think the manpower to operate an insurance system, projecting in the future, would probably not be available.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman does not contend that if my amendment would prevail to permit the life insurance after discharge and after the war is over, the manpower problem would be persuasive?

Mr. BATES of Massachusetts. I quite agree with the gentleman that his amendment would have no effect whatsoever upon the present situation.

It will, however, have a very serious effect upon the financial stability of this Government at the end of the war when we will have to certainly face most desperate financial problems.

In addition to these facts, Mr. Chairman, only one-sixth of the veterans today have continued their national life insurance. In other words, the program is being supported by the taxpayers and by five-sixths of the veterans who did not choose to continue the program. There have been many ridiculous situations arising during these last few years. The aviation cadets who did not even pay the premiums on their insurance, were paid dividends by the Federal Government even though their insurance policy did not cost them one cent.

Mr. Chairman, almost every witness who appeared before our committee was strongly in favor of this bill. This is a chance to save money and it is an opportunity to extend benefits to the servicemen and their dependents. I believe the bill should receive the unanimous vote of this body.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, I had intended to offer an amendment to this bill, but that was prior to realizing that it had been discussed fully in the subcommittee. The amendment I had proposed to offer was not one of changing the amount of money which we are proposing to pay the beneficiary of a serviceman, but it is putting it on a level where we would be taking a little human interest in the people who are going to be receiving the money.

During the war I had occasion to call on a number of people who were the beneficiaries of servicemen who had been killed in action. I can assure you there is no time in a mother's life or in a widow's life when she is more disturbed than when she receives the wire saying that her son or husband has been killed in action. By the same token there is no time in her life when she needs a morale builder more and the insurance helps her to know that she is not going to be left destitute. I have felt from a human point of view that the \$10,000 should be paid in a lump sum of \$2,000 on the death of the soldier, and the \$3,000 spread in monthly payments over a period of 10 years. I feel we would be doing the widow or mother a big favor by assuring her that she at least has a little financial backing to readjust herself—it is at that time when she needs this assistance. It has been mentioned she is going to receive 6 months' pay. Having been in the Army myself, and having been drafted when I had three children, if I had remained in the Army much longer I would not even have had a roof over my head.

On the other hand, if we can give them a little cash to readjust themselves, and give them the assurance that the whole world is not against them because most of these people think that the whole world is against them, and sometimes they are a little doubtful as to whether they can readjust themselves; as I say, if we can give them a little cash at that time, it would be encouraging to them. However, in view of the fact I am in agreement with the bill and know that it should be passed, and if this amendment is necessary in the opinion of the

people of America, and in the opinion of the House of Representatives, it can be referred to the other body when it comes before them. I shall work in that direction.

I think the subcommittee has done a good job. I believe the chairman of the committee is right when he asks for the passage of the bill.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mrs. ROGERS of Massachusetts. I think the gentleman's amendment has a great deal of merit. I am very sure the gentleman will get every assistance and perhaps the amendment can be introduced in the bill there.

Mr. AYRES. If it is found that the amendment is necessary, I hope that that may be done. I trust the Members will be willing to express their views when this bill is referred to the other body.

Mrs. ROGERS of Massachusetts. I will be very glad to help if the gentleman would like to have me do so.

Mr. AYRES. I repeat that the bill should be passed. Speaking from a small-business man's point of view, I am for any bill that will get us less government and better government, and get the Government out of business. This bill is a step in the right direction.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. RANKIN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I wish to compliment the members of the subcommittee for the splendid work they have done on this bill. I think it is one of the best pieces of work that has come out of the Veterans' Affairs Committee since I have been a member of it. The members of that subcommittee were the gentleman from Indiana, Mr. Noland, the gentleman from Alabama [Mr. ELIOTT], the gentleman from Wisconsin [Mr. DAVIS], the gentleman from Illinois [Mr. MACK], and the gentleman from Massachusetts [Mr. BATES]. Those Members present have spoken today and have given their reasons for the passage of the bill.

I believe that the bill H. R. 1 carries an appropriate number, because I think it ought to be No. 1 on the House Calendar to see that we take care of this obligation.

While I went back home last week end, I talked to several people, who raised some objections to the bill, simply because they did not understand it. Several people, knowing that I was a member of the Veterans' Affairs Committee, made objection to the bill saying that it would raise their taxes. After explaining to them that it would not raise their taxes a bit, that alleviated the situation somewhat. Others raised the question that we were raising the pay of the boys in the service. That is not true. Only the dependents of those boys who are killed or lose their lives might receive additional benefits. But that is not the question. It costs the Government less. We have an obligation to these boys. As we all know, all through history our soldiers have been taken from their families. And they have nothing to say about it. We have an obligation to those dependent fami-

lies, and this is one way to pay it, because if they lose their lives this will hold out some help in the support of those dependents.

This covers everyone. It does not cover just those who can afford to pay for it or those who have enough foresight to take out insurance, or those who think enough of their dependents to take out insurance. There are a great many of our veterans who go into the service who do not care about the people back home at all. Normally, those are the ones who need this protection. It does cover them, as well as those in the higher brackets, who can afford to pay for it.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. HARDY. I would like to ask the gentleman, or the chairman of the committee, this question. On the first page of the bill there is included Reserve components, including the National Guard, and so forth. Under certain conditions, certain reserves have protection of a sort under the Employees' Compensation Act. I presume it is not the purpose of the committee to provide duplicate coverage for identical hazards. I just wanted to be certain that my understanding is correct, and that people who are determined to be eligible to receive benefits under the Employees' Compensation Act will not also receive benefits under this act.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. RANKIN. The gentleman from Virginia is entirely correct.

Mr. HARDY. In other words, if an individual receives benefits under this act he would not be eligible for benefits under the Employees' Compensation Act?

Mr. RANKIN. The gentleman is correct. We do not give anybody double insurance.

Mr. STAGGERS. I thank the gentleman from Virginia [Mr. HARDY] for his observation, because I believe it is proper that we should not duplicate in any way.

Now, the bill costs less, as it has been shown to you, and it gets the Government out of the insurance business, which it ought to do. I was interested in the remarks of the gentleman from Illinois [Mr. SPRINGER] in regard to the cost of private insurance and the cost of Government insurance. For an equal number of men it required over 300 men to administer the commercial insurance, but for the Government it took over 1,500 men to administer the same insurance. Also I was very much interested in the statement of the gentleman from Virginia as to the matter of man-years needed to take care of our national service life insurance program. I am in favor of the bill 100 percent as it is. I hope it will be voted up.

Mr. RANKIN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota.



Mr. H. CARL ANDERSEN. Mr. Chairman, nearly 9 years ago, by the introduction of H. R. 6512, in February 1942, I first requested of the Congress that automatic insurance be given all men and women the instant they were sworn into the armed services of our Nation. I said on that day, quoting from the RECORD:

Mr. Speaker, the United States will probably call up for service 10,000,000 or more of the best men of our country. These men are willing to give their lives that our Nation might live. To me it seems that our great country can at the very least give, free of charge, to each and every one of these men, a \$5,000 life-insurance policy to afford protection to their dear ones back home in case the ultimate sacrifice is exacted. I am today [February 2, 1942] introducing a bill to take care of this obligation to our servicemen and sincerely hope that this automatic insurance will soon become the law of our land.

Mr. Chairman, on February 5, March 2, May 26, and June 8, 1942, I spoke to the House, asking and pleading for consideration of my proposal. On June 8, I offered my bill, H. R. 6512, as an amendment to H. R. 7119, which provided family allowances for the families of enlisted men in the armed services. In the debate on the rule, I read from the RECORD of June 8, 1942, page 5013:

Last November I suggested to General Hines, of the Veterans' Administration, in committee, that it was fundamentally sound and just that any man or woman entering any branch of our armed services should be automatically covered on entrance into the service by insurance. \* \* \* In line with that study and contention, and after consultation with the Veterans' Administration as to the wording of the bill, I introduced on February 2, 1942, H. R. 6512. Hearings on this was requested of the Ways and Means Committee without success.

Mr. Chairman, that refusal of the Ways and Means Committee to consider the principle of automatic insurance as contained in my bill, H. R. 6512, the genesis of the bill before us today, cost the taxpayers of America \$587,000,000. Comptroller General Warren has estimated that amount would have been saved had my proposal as to automatic insurance been in effect during the World War II period—see the report, page 2.

On June 8, 1942, when pleading with the House to accept H. R. 6512 as an additional title to H. R. 7119, I said, among other things, page 5030:

Why in the name of common sense should we provide 2,000 stenographers to sit up here in some Government building, to write out these eight or ten million policies, all of which would be unnecessary under this amendment? Bookkeeping starts—

Referring to H. R. 6512—

when the War and Navy Departments certifies to the national service life insurance that a certain man has been killed or totally disabled. That is where bookkeeping starts, rather than having no one knows how many women writing out policies, checking monthly collections from every unit in the services, and filling out forms without number. If you want to cut red tape, this will do it. Let us give to the servicemen's children this money instead of to unnecessary office workers.

That was my statement of 9 years ago,

Mr. Chairman, now we are finally cutting this red tape, but only after a loss to America of over one-half billion dollars and no one knows how many heartaches of servicemen's dependents.

Mr. Chairman, I want to sincerely compliment the Committee on Veterans' Affairs for bringing out this very worthwhile legislation, even though we should have had it long ago.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. In just a minute I will yield.

On February 14, 1942, I had received a letter from the Legion post in Starbuck, Minn., advising me as follows:

We have buried two draftees. The last one, of a destitute family, was buried by the county, a \$60 burial. He had an honorable discharge, got an infection while he was in service, spent 5 weeks at Walter Reed Hospital, had his leg amputated, was sent home to die, which he did a month later. I called the Veterans' Administration in Minneapolis. They said there was no provision for giving to that family any relief in that particular case.

W. W. LARSON,  
Service Officer.

That letter, Mr. Chairman, is really the heart, so to speak, of my interest in this sort of legislation. Every service man and woman must be covered by insurance in fairness to themselves and their families.

It has been brought out here several times today that we cannot leave it to each and every individual member of the Armed Forces to decide whether or not he should take out insurance. It is for his best interest that we cover them all under a compulsory blanketing program of insurance. I feel positive that the committee has in this bill protected fully all of the rights which the veterans and service men and women are entitled to under present-day legislation. There should never again be any question of a situation happening as referred to in the letter I have just read from the American Legion post of Starbuck, Minn. We simply must not permit the possibility of such again happening.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Tennessee.

Mr. EVINS. In the case the gentleman referred to, was the man killed in service or was he a veteran after discharge?

Mr. H. CARL ANDERSEN. This has been nearly 9 years ago and I do not recall the exact circumstances. I am reading from the RECORD of June 8, 1942.

Mr. EVINS. If he was a discharged veteran there would still be no protection under this law.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Mississippi.

Mr. RANKIN. If he should die within 3 months after his discharge he would be covered by this bill even though he might have received his injury after he came home.

Mr. H. CARL ANDERSEN. As one gentleman brought out on the floor of the House today, unless we watch out for the financial stability of this Gov-

ernment we are apt to get into very serious difficulties. From that particular side of the question alone, the Committee on Veterans' Affairs is entitled to the thanks of the people of the Nation for bringing in this very worth-while legislation. Think what we could have done with this \$600,000,000 wasted unnecessarily in the last 10 years. Think of what good we could have done with it in helping the widows and children of the men who were killed during World War II. I was amazed to hear that 8,000 Army officers and men were required to take care of all of the work in the armed services in connection with national service life during World War II. Surely that many men and that effort should have been put to far better use and today we profit from the lesson which cost us so dearly.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The gentleman refers to the \$600,000,000 that would have been saved. How about the millions of dollars that would have been saved to World War I and World War II veterans who had to pay monthly premiums?

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct. The committee will pardon me for making this talk. Sometimes it may be considered in poor taste to get up here and say, "I told you so," but I am not trying to do anything of that kind. To me this is the correction of a costly blunder made 9 years ago and we can all profit from our experiences of the past. The service men and women will be well protected by the bill before us and I am much pleased that we have today practically a complete agreement upon this very worth-while measure.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I wish to commend the Committee on Veterans' Affairs for bringing this important legislation, H. R. 1, so necessary to the welfare of our servicemen and their families before the House at this early date. It means much to our servicemen and their families. It is a worth-while and constructive approach in the important matter of providing insurance benefits in case of death resulting from service.

The bill provides:

First. On and after June 27, 1950, each person in the Armed Forces is insured against death in the amount of \$10,000 without cost to the person.

Second. Protection covers period of active service and periods following call or order to active service or final induction and, in most cases, 90 days after separation from service.

Third. If person is disabled in service to such an extent as to make him uninsurable at standard commercial rates, he may obtain nonparticipating national service life insurance after separation from service, and where the disability is total, waiver of premiums may be granted.

Fourth. Bars generally future entrants to United States Government life insurance and the national service life insurance programs, after enactment of this act. But any person in the active service having one of these policies may continue it in force or if he has surrendered a permanent plan policy for cash, he may reinstate it or be granted a new policy on the same plan and in the same amount without a showing of good health.

Fifth. Beneficiaries limited to members of immediate family.

Sixth. Maximum indemnity paid in monthly installments of \$92.90 each over 10-year period.

Seventh. Indemnity is exempt from the claims of creditors and from taxation.

Enactment of this uniform indemnity coverage bill will remove what has been considered a basic inequity and inadequacy in the Government insurance program. Take, for example, the case of three individuals. They were all in combat service. Each was married and had children. For reasons best known to themselves one had no national service life insurance coverage; another one of them had taken out a \$5,000 term policy of insurance; the remaining one had taken out a \$10,000 policy. They were all in the same outfit and subject to the same hazards. All three were killed. The family of the one who held a \$5,000 policy received \$5,000 from the Government, the family of the one who held a \$10,000 policy received \$10,000. But the family of the one who had not taken out any insurance received nothing. This unfortunate result was due to the failure by neglect, or lack of interest, upon the part of the last-named serviceman, for the welfare of his family. The family suffers as a result. This bill seeks to correct such a possibility by providing a straight \$10,000 indemnity policy to all servicemen, payable in the event of death as a result of service.

Thus, this bill provides uniform coverage for all men in the service, which is quite different from the situation presently prevailing under national service life insurance. This bill protects the interests of all dependents of all men in the service to a uniform degree, which the present and existing program does not do. It is my opinion that uniform benefits to all servicemen are highly desirable. The present emergency makes prompt action imperative.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no further requests for time. I do not believe there will be a vote against this bill. I have long favored veterans' insurance.

Mr. RANKIN. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, among some very limited objections to this bill was the statement that the young soldier after he gets out of the service will not be able to buy from the commercial companies a policy as inexpensively as he could from the NSLI. I believed that statement until I checked into the figures.

For the information of the committee the tabulation which I shall include shows that a man coming out of the service at age 20, 25, or 30, can buy his insurance from commercial companies for less money than it would cost him from the Government. To substantiate that I include the following statistical information:

*Annual premiums per \$1,000 insurance 5-year-term policies, including disability waiver of premium benefit*

|   | Age at issue |        |        |        |
|---|--------------|--------|--------|--------|
|   | 20           | 25     | 30     | 35     |
| National service life insurance.....      | \$7.70       | \$7.93 | \$8.41 | \$9.00 |
| Lowest.....                               | \$5.54       | \$6.09 | \$6.40 | \$7.26 |
| Number of companies lower than NSLI.....  | 49           | 42     | 39     | 32     |
| Percent of total.....                     | 65           | 54     | 50     | 41     |
| Number of companies higher than NSLI..... | 26           | 36     | 39     | 46     |
| Percent of total.....                     | 35           | 46     | 50     | 59     |
| Total companies.....                      | 75           | 78     | 78     | 78     |
| Percent.....                              | 100          | 100    | 100    | 100    |

[Page references, Fliercraft compendium for 1950]

|  | Age at issue |             |              |               |
|--|--------------|-------------|--------------|---------------|
|  | 20           | 25          | 30           | 35            |
| National service life insurance.....                 | \$7.70       | \$7.93      | \$8.41       | \$9.00        |
| Aetna Life (Hartford, Conn.) (see p. 11).....        | 6.11<br>.33  | 6.33<br>.40 | 6.74<br>.50  | 7.69<br>.67   |
| American General (Houston, Tex.) (see p. 16).....    | 6.44         | 6.73        | 7.24         | 8.36          |
| American Mutual (Des Moines, Iowa) (see p. 17).....  | 7.10<br>.67  | 7.71<br>.85 | 8.63<br>1.08 | 10.05<br>1.42 |
| American National (Galveston, Tex.) (see p. 19)..... | 6.04<br>.60  | 6.29<br>.60 | 6.73<br>.60  | 7.68<br>.60   |
| Amicable (Waco, Tex.) (see p. 26).....               | 5.36<br>.44  | 5.71<br>.57 | 6.36<br>.75  | 7.46<br>1.01  |
| Atlantic (Richmond, Va.) (see p. 28).....            | 6.17<br>.43  | 6.42<br>.50 | 6.72<br>.60  | 7.52<br>.77   |
| Bankers National (Montclair, N. J.) (see p. 43)..... | 7.96<br>.52  | 8.31<br>.67 | 8.51<br>.87  | 9.23<br>1.17  |
| Beneficial (Salt Lake City, Utah) (see p. 45).....   | 7.14<br>(?)  | 7.72<br>(?) | 8.60<br>(?)  | 9.98<br>(?)   |
| Berkshire (Pittsfield, Mass.) (see p. 49).....       | 7.92<br>(?)  | 8.55<br>.47 | 9.50<br>(?)  | 10.96<br>.79  |
| Bankers Life (Des Moines, Iowa) (see p. 34).....     | 7.51<br>.70  | 8.07<br>.85 | 8.99<br>(?)  | 10.46<br>1.37 |
| Capitol Life (Denver, Colo.) (see p. 64).....        | 6.19<br>.33  | 6.32<br>.40 | 6.74<br>.50  | 7.64<br>.67   |
|  | 6.52         | 6.72        | 7.24         | 8.31          |

*Annual premiums per \$1,000 insurance 5-year-term policies, including disability waiver of premium benefit—Continued*

|   | Age at issue  |               |                |                 |
|---|---------------|---------------|----------------|-----------------|
|   | 20            | 25            | 30             | 35              |
| Columbus Mutual (Columbus, Ohio) (see p. 74).....           | \$8.86<br>.52 | \$9.46<br>.63 | \$10.39<br>.81 | \$11.80<br>1.19 |
|   | 9.38          | 10.09         | 11.20          | 12.99           |
| Commonwealth (Louisville, Ky.) (see p. 75).....             | 6.21<br>.57   | 6.47<br>.73   | 7.00<br>.89    | 7.89<br>1.13    |
|   | 6.78          | 7.20          | 7.89           | 9.02            |
| Connecticut General (Hartford, Conn.) (see p. 83).....      | 6.20<br>1.35  | 6.44<br>1.42  | 6.74<br>1.52   | 7.52<br>1.69    |
|   | 6.55          | 6.86          | 7.26           | 8.21            |
| Connecticut Mutual (Hartford, Conn.) (see p. 98).....       | 7.54<br>.64   | 8.16<br>.83   | 9.11<br>(?)    | 10.55<br>1.46   |
|   | 8.18          | 8.99          | (?)            | 12.01           |
| Equitable Ass'n Society (New York, N. Y.) (see p. 128)..... | 9.07<br>(?)   | 9.45<br>.54   | 10.15<br>(?)   | 11.36<br>.93    |
|   | (?)           | 9.99          | (?)            | 12.29           |
| Equitable (Washington, D. C.) (see p. 134).....             | 8.19<br>.34   | 8.49<br>.41   | 8.74<br>.49    | 9.38<br>.65     |
|   | 8.53          | 8.90          | 9.23           | 10.03           |
| Equitable (Des Moines, Iowa) (see p. 136).....              | 6.26<br>.57   | 6.43<br>.70   | 6.66<br>.89    | 7.51<br>1.16    |
|   | 6.83          | 7.13          | 7.55           | 8.67            |
| Federal (Chicago, Ill.) (see p. 148).....                   | 6.11<br>.62   | 6.30<br>.76   | 6.82<br>.95    | 8.09<br>1.24    |
|   | 6.73          | 7.06          | 7.77           | 9.33            |
| Fidelity Mutual (Philadelphia, Pa.) (see p. 152).....       | 8.16<br>.72   | 8.80<br>.82   | 9.79<br>(?)    | 11.29<br>1.12   |
|   | 8.88          | 9.62          | ?              | 12.41           |
| Franklin (Springfield, Ill.) (see p. 157).....              | 6.07<br>.14   | 6.32<br>.15   | 6.62<br>.15    | 7.49<br>.16     |
|   | 6.21          | 6.47          | 6.77           | 7.65            |
| General American (St. Louis, Mo.) (see p. 163).....         | 8.16<br>.35   | 8.60<br>.44   | 9.38<br>(?)    | 10.65<br>.72    |
|   | 8.51          | 9.04          | ?              | 11.37           |
| Great Southern (Houston, Tex.) (see p. 167).....            | 5.80<br>.36   | 6.02<br>.47   | 6.55<br>.61    | 7.78<br>.81     |
|   | 6.16          | 6.49          | 7.16           | 8.59            |
| Guarantee Mutual (Omaha, Neb.) (see p. 177).....            | 7.16<br>.20   | 7.53<br>.22   | 8.21<br>.22    | 9.41<br>.23     |
|   | 7.36          | 7.75          | 8.43           | 9.64            |
| Guardian (New York, N. Y.) (see p. 180).....                | 7.41<br>.86   | 8.05<br>1.09  | 9.00<br>1.41   | 10.43<br>1.89   |
|   | 8.27          | 9.14          | 10.41          | 12.32           |
| Gulf (Jacksonville, Fla.) (see p. 186).....                 | 7.94<br>(?)   | 8.29<br>(?)   | 8.38<br>(?)    | 8.95<br>(?)     |
| Home (New York, N. Y.) (see p. 191).....                    | 7.15<br>(?)   | 7.78<br>.57   | 8.75<br>(?)    | 10.23<br>.90    |
| Home (Philadelphia, Pa.) (see p. 194).....                  | (?)<br>(?)    | 8.35<br>(?)   | (?)<br>(?)     | 11.13<br>(?)    |

<sup>1</sup> Approximate.



Annual premiums per \$1,000 insurance 5-year-term policies, including disability waiver of premium benefit—Continued

|  | Age at issue  |               |               |                |
|--|---------------|---------------|---------------|----------------|
|  | 20            | 25            | 30            | 35             |
| Illinois Bankers (Monmouth, Ill.) (see p. 195).....            | \$6.30<br>.65 | \$6.58<br>.78 | \$6.94<br>.96 | \$7.88<br>1.23 |
|  | 6.95          | 7.36          | 7.90          | 9.11           |
| Indianapolis Life (Indianapolis, Ind.) (see p. 199).....       | 7.16<br>.72   | 7.80<br>.88   | 8.79<br>1.09  | 10.29<br>1.41  |
|  | 7.88          | 8.68          | 9.88          | 11.70          |
| Jefferson Standard (Greensboro, N. C.) (see p. 204).....       | 6.01<br>.56   | 6.28<br>.69   | 6.66<br>.87   | 7.65<br>1.15   |
|  | 6.57          | 6.97          | 7.53          | 8.80           |
| John Hancock (Boston, Mass.) (see p. 216).....                 | 7.08<br>.76   | 7.72<br>.91   | 8.68<br>1.12  | 10.16<br>1.43  |
|  | 7.84          | 8.63          | 9.80          | 11.59          |
| Kansas City (Kansas City, Mo.) (see p. 223).....               | 6.25<br>.58   | 6.50<br>.70   | 6.80<br>.86   | 7.45<br>1.10   |
|  | 6.83          | 7.20          | 7.66          | 8.55           |
| Liberty (Greenville, S. C.) (see p. 227).....                  | 5.98<br>.57   | 6.19<br>.71   | 6.46<br>.88   | 7.37<br>1.16   |
|  | 6.55          | 6.90          | 7.34          | 8.53           |
| Liberty National (Birmingham, Ala.) (see p. 228).....          | 6.72<br>.63   | 7.01<br>.75   | 7.39<br>.93   | 8.27<br>1.19   |
|  | 7.35          | 7.76          | 8.32          | 9.46           |
| Life Insurance Co. of Georgia (Atlanta, Ga.) (see p. 232)..... | 5.10<br>.44   | 5.67<br>.56   | 6.56<br>.73   | 7.90<br>1.09   |
|  | 5.54          | 6.23          | 7.29          | 8.89           |
| Lincoln National (Fort Wayne, Ind.) (see pp. 238-240).....     | 5.98<br>.35   | 6.26<br>.43   | 6.64<br>.56   | 7.52<br>.73    |
|  | 6.33          | 6.69          | 7.20          | 8.25           |
| Manhattan (New York, N. Y.) (see p. 252).....                  | 8.38<br>0     | 8.99<br>0     | 9.90<br>0     | 11.31<br>0     |
|  | 8.38          | 8.99          | 9.90          | 11.31          |
| Massachusetts Mutual (Springfield, Mass.) (see p. 268).....    | 7.16<br>(?)   | 7.87<br>.46   | 8.91<br>(?)   | 10.46<br>.77   |
|  | (?)           | 8.33          | (?)           | 11.23          |
| Metropolitan (New York, N. Y.) (see p. 281).....               | 6.91<br>0     | 7.58<br>0     | 8.61<br>0     | 10.20<br>0     |
|  | 6.91          | 7.58          | 8.61          | 10.20          |
| Minnesota Mutual (St. Paul, Minn.) (see p. 296).....           | 7.44<br>.71   | 8.15<br>.87   | 9.25<br>1.10  | 10.92<br>1.42  |
|  | 8.15          | 9.02          | 10.35         | 12.34          |
| Mutual Benefit (Newark, N. J.) (see p. 307).....               | 6.64<br>.52   | 7.29<br>.61   | 8.29<br>.73   | 9.82<br>.92    |
|  | 7.16          | 7.90          | 9.02          | 10.74          |
| Mutual (New York, N. Y.) (see p. 327).....                     | 7.21<br>(?)   | 7.86<br>.53   | 8.86<br>(?)   | 10.39<br>.87   |
|  | (?)           | 8.39          | (?)           | 11.26          |
| National Life (Montpelier, Vt.) (see p. 344).....              | 7.25<br>.71   | 7.90<br>.87   | 8.91<br>1.09  | 10.46<br>1.41  |
|  | 7.96          | 8.77          | 10.00         | 11.87          |

Annual premium per \$1,000 insurance 5-year-term policies, including disability waiver of premium benefit—Continued

|  | Age at issue  |               |               |                 |
|--|---------------|---------------|---------------|-----------------|
|  | 20            | 25            | 30            | 35              |
| New England Mutual (Boston, Mass.) (see p. 356).....             | \$7.10<br>(?) | \$7.83<br>.78 | \$8.87<br>(?) | \$10.37<br>1.32 |
|  | (?)           | 8.61          | (?)           | 11.69           |
| New World (Seattle, Wash.) (see p. 361).....                     | 6.12<br>.53   | 6.30<br>.66   | 6.70<br>.84   | 7.73<br>1.11    |
|  | 6.65          | 6.96          | 7.54          | 8.84            |
| New York (New York, N. Y.) (see p. 368).....                     | 7.02<br>(?)   | 7.90<br>.93   | 9.19<br>(?)   | 11.01<br>1.43   |
|  | (?)           | 8.83          | (?)           | 12.49           |
| Northwestern Mutual (Milwaukee, Wis.) (see p. 386).....          | 7.17<br>.25   | 8.00<br>.32   | 9.23<br>.43   | 11.06<br>.62    |
|  | 7.42          | 8.32          | 9.66          | 11.68           |
| Northwestern National (Minneapolis, Minn.) (see p. 396).....     | 5.84<br>0     | 6.09<br>0     | 6.40<br>0     | 7.26<br>0       |
|  | 5.84          | 6.09          | 6.40          | 7.26            |
| Occidental (Los Angeles, Calif.) (see p. 404).....               | 6.60<br>.53   | 6.71<br>.54   | 6.88<br>.58   | 7.68<br>.74     |
|  | 7.13          | 7.25          | 7.46          | 8.42            |
| Old Line (Milwaukee, Wis.) (see p. 415).....                     | 5.63<br>.54   | 5.96<br>.65   | 6.58<br>.81   | 7.70<br>1.05    |
|  | 6.17          | 6.61          | 7.39          | 8.75            |
| Pacific Mutual (Los Angeles, Calif.) (see p. 417).....           | 6.79<br>.27   | 7.04<br>.33   | 7.34<br>.42   | 8.13<br>.57     |
|  | 7.06          | 7.37          | 7.76          | 8.70            |
| Penn Mutual (Philadelphia, Pa.) (see p. 433).....                | 8.04<br>.54   | 8.66<br>.67   | 9.61<br>(?)   | 11.05<br>1.08   |
|  | 8.58          | 9.33          | (?)           | 12.15           |
| Peoples (Frankfort, Ind.) (see p. 440).....                      | 6.80<br>.53   | 7.05<br>.64   | 7.35<br>.80   | 8.20<br>1.05    |
|  | 7.33          | 7.69          | 8.15          | 9.25            |
| Philadelphia (Philadelphia, Pa.) (see p. 441).....               | 6.16<br>.49   | 6.40<br>.60   | 6.73<br>.75   | 7.52<br>.97     |
|  | 6.65          | 7.00          | 7.48          | 8.49            |
| Protective (Birmingham, Ala.) (see p. 453).....                  | 6.11<br>.48   | 6.33<br>.59   | 6.74<br>.76   | 7.69<br>1.00    |
|  | 6.59          | 6.92          | 7.50          | 8.69            |
| Provident Life & Accident (Chattanooga, Tenn.) (see p. 455)..... | 5.90<br>.49   | 6.23<br>.59   | 6.64<br>.73   | 7.47<br>.95     |
|  | 6.39          | 6.82          | 7.37          | 8.42            |
| Provident (Bismarck, N. Dak.) (see p. 456).....                  | 6.27<br>.54   | 6.41<br>.66   | 6.82<br>.83   | 7.68<br>1.08    |
|  | 6.81          | 7.07          | 7.65          | 8.76            |
| Provident Mutual (Philadelphia, Pa.) (see p. 462).....           | 7.44<br>(?)   | 8.08<br>.78   | 9.06<br>(?)   | 10.55<br>1.25   |
|  | (?)           | 8.86          | (?)           | 11.80           |
| Prudential (Newark, N. J.) (see p. 473).....                     | 7.60<br>0     | 8.18<br>0     | 8.61<br>0     | 9.62<br>0       |
|  | 7.60          | 8.18          | 8.61          | 9.62            |

Annual premiums per \$1,000 insurance 5-year-term policies, including disability waiver of premium benefit—Continued

|  | Age at issue  |               |               |                |
|--|---------------|---------------|---------------|----------------|
|  | 20            | 25            | 30            | 35             |
| Republic National (Dallas, Tex.) (see p. 488).....             | \$5.82<br>.47 | \$6.13<br>.59 | \$6.61<br>.76 | \$7.35<br>1.02 |
|  | 6.29          | 6.72          | 7.37          | 8.37           |
| Security Life & Trust (Winston-Salem, N. C.) (see p. 491)..... | 6.01<br>.61   | 6.28<br>.74   | 6.66<br>.92   | 7.65<br>1.18   |
|  | 6.62          | 7.02          | 7.58          | 8.83           |
| Security Mutual (Binghamton, N. Y.) (see p. 493).....          | 7.12<br>.73   | 7.74<br>.89   | 8.71<br>1.11  | 10.18<br>1.43  |
|  | 7.85          | 8.63          | 9.82          | 11.61          |
| Standard (Portland, Ore.) (see p. 501).....                    | 8.82<br>.40   | 9.40<br>.49   | 9.54<br>.61   | 10.16<br>.80   |
|  | 9.22          | 9.89          | 10.15         | 10.96          |
| State (Indianapolis, Ind.) (see p. 507).....                   | 6.86<br>.36   | 7.15<br>.45   | 7.64<br>.57   | 8.52<br>.75    |
|  | 7.22          | 7.60          | 8.21          | 9.27           |
| State Mutual (Worcester, Mass.) (see p. 511).....              | 7.23<br>.52   | 7.91<br>.82   | 8.92<br>.73   | 10.43<br>.93   |
|  | 7.75          | 8.53          | 9.65          | 11.36          |
| Sun (Baltimore, Md.) (see p. 528).....                         | 6.83<br>0     | 7.19<br>0     | 7.70<br>0     | 8.75<br>0      |
|  | 6.83          | 7.19          | 7.70          | 8.75           |
| Travelers (Hartford, Conn.) (see p. 532).....                  | 6.49<br>.49   | 6.55<br>.59   | 6.71<br>.73   | 7.49<br>.95    |
|  | 6.98          | 7.14          | 7.44          | 8.44           |
| Union Central (Cincinnati, Ohio) (see p. 542).....             | 8.01<br>(?)   | 8.70<br>.87   | 9.72<br>(?)   | 11.24<br>1.39  |
|  | (?)           | 9.57          | (?)           | 12.63          |
| Union Mutual (Portland, Maine) (see p. 546).....               | 8.29<br>.65   | 8.96<br>.83   | 9.98<br>1.06  | 11.54<br>1.40  |
|  | 8.94          | 9.79          | 11.04         | 12.94          |
| Union National (Lincoln, Nebr.) (see p. 549).....              | 6.75<br>.70   | 7.32<br>.83   | 8.17<br>1.03  | 8.83<br>1.32   |
|  | 7.45          | 8.15          | 9.20          | 10.15          |
| United Benefit (Omaha, Nebr.) (see p. 551).....                | 6.76<br>.44   | 6.91<br>.55   | 7.26<br>.71   | 8.22<br>.94    |
|  | 7.20          | 7.46          | 7.97          | 9.16           |
| United Life & Accident (Concord, N. H.) (see p. 554).....      | 6.09<br>.58   | 6.34<br>.70   | 6.68<br>.88   | 7.49<br>1.14   |
|  | 6.67          | 7.04          | 7.56          | 8.63           |
| United States (New York, N. Y.) (see p. 560).....              | 6.10<br>.34   | 6.30<br>.41   | 6.65<br>.49   | 7.45<br>.65    |
|  | 6.44          | 6.71          | 7.14          | 8.10           |
| Volunteer State (Chattanooga, Tenn.) (see p. 562).....         | 6.23<br>.45   | 6.49<br>.55   | 6.75<br>.67   | 7.59<br>.84    |
|  | 6.68          | 7.04          | 7.42          | 8.43           |
| Washington National (Chicago, Ill.) (see p. 564).....          | 6.23<br>.48   | 6.44<br>.60   | 6.81<br>.76   | 7.77<br>1.00   |
|  | 6.71          | 7.04          | 7.57          | 8.77           |

Annual premiums per \$1,000 insurance 5-year-term policies, including disability waiver of premium benefit—Continued

|   | Age at issue |             |             |              |
|---|--------------|-------------|-------------|--------------|
|   | 20           | 25          | 30          | 35           |
| Western & Southern<br>(Cincinnati, Ohio) (see<br>p. 569)----- | \$7.71<br>0  | \$8.38<br>0 | \$9.39<br>0 | \$10.89<br>0 |
|   | 7.71         | 8.38        | 9.39        | 10.89        |
| Western (Helena, Mont.)<br>(see p. 571)-----                  | 6.75<br>.60  | 7.31<br>.74 | 8.17<br>.94 | 9.47<br>1.24 |
|   | 7.35         | 8.05        | 9.11        | 10.71        |

Source: Flitcraft Compendium for 1950, published by Flitcraft, Inc., 75 Fulton St., New York 7, N. Y.

NOTE.—The 78 companies (all companies showing figures for 5-year term in Flitcraft Compendium for 1950) are spread all over the country in 33 different States and the District of Columbia.

Mr. RANKIN. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, may I say to the gentleman from Texas [Mr. THOMPSON], that I am carrying my straight-life insurance under the Veterans' Administration and I am paying \$38.20 a month for life for a coverage of \$10,000. I could probably have got the same insurance from a private company without paying any more.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. CAMP. I have had considerable experience with life-insurance companies, and I never heard that statement made before. I think the gentleman is incorrect. I think the rates of private companies are higher than national servicemen's rates. That is my opinion.

Mr. RANKIN. I was giving the gentleman the figures, and he can check up on them any time he desires to do so. In my opinion, if I had taken out this insurance in a private company, I would not have been paying as much as \$38.20 a month for \$10,000 life insurance.

Mr. MACK of Illinois. Mr. Chairman, I strongly favor the enactment of H. R. 1 which is designed to give gratuitous insurance to our boys on active duty in our military and naval forces. As a member of the Veterans' Affairs Committee during the last Congress, it was my privilege to serve on the subcommittee studying this insurance program, during the closing days of that Congress. This committee worked diligently for many days trying to find the solution to the many inequities that existed in the national service life insurance program. With Mr. Noland ably serving as its chairman the committee brought forth the solution to our problems. I feel that our former colleague should be commended for his outstanding work as chairman of this subcommittee which drafted the original gratuitous insurance bill. He has not only rendered a great service to the men in our military forces but to the taxpayers of our country as well.

It has been estimated that over \$500,000,000 could have been saved if this bill had been enacted prior to World War

II. This bill eliminates the necessity of keeping files on the individuals in the military service in the insurance department of the Veterans' Administration and the administrative expense of making the deductions for the insurance premiums. It eliminates the mortality and annuity table calculations and the necessity of having insurance salesmen in our military forces. In my opinion this gratuitous insurance program is the only sound solution to the insurance program and it is urgently needed at this very time as many new men are being called into the services.

During the last two wars many of our men served and were killed without having the protection for their beneficiaries as provided in this bill because they failed to make application for Government insurance. Many others felt that they could not afford the premiums for \$10,000 and therefore settled for lesser amounts. In many cases the men with little or no insurance were from families that needed this assistance the most. I am not of the opinion that the families of these men should be penalized because of the lack of foresight of these veterans who failed to apply for national service life insurance.

Under this bill universal coverage would be provided and the beneficiaries of every man and woman in our military services would be protected in the event of his death. In view of the fact that this bill would effect substantial savings for our taxpayers and at the same time provide additional benefits for our servicemen, I believe that it merits the support of every Member of this Congress.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.—*

#### PART I—SERVICEMEN'S INDEMNITY

SECTION 1. This part may be cited as the "Servicemen's Indemnity Act of 1951."

SEC. 2. Except as hereinafter provided, on and after June 27, 1950, any person in the active service of the Army, Navy, Air Force, Marine Corps, Coast Guard, or the Reserve components thereof, including the National Guard, when called or ordered to active duty or active training duty for 14 days or more; cadets and midshipmen at the United States Military, Naval, and Coast Guard Academies; commissioned officers of the Public Health Service while entitled to full military benefits as provided in section 212 (a) of the act of July 1, 1944 (58 Stat. 689), as amended (42 U. S. C. 213); and commissioned officers of the Coast and Geodetic Survey while assigned to duty during a period of war or an emergency as proclaimed by the President or the Congress on projects for the Army, Navy, or Air Force in areas outside the continental United States or in Alaska or in coastal areas of the United States determined by the Department of Defense to be of immediate military hazard, shall be automatically insured by the United States, without cost to such person, against death in such service in the principal amount of \$10,000: *Provided*, That any person called to extended active service for a period exceeding 30 days shall continue to be so protected for a period of 90 days after separation or release from such active service: *Provided further*, That persons in the Reserve components, including the National Guard, while engaged in aerial flights in Government owned or leased air-

craft for any period, with or without pay, as an incident to their military or naval training, shall be deemed to be in the active service for the purposes of this act.

SEC. 3. Upon certification by the Secretary of the service department concerned of the death of any person deemed to have been automatically insured under this part, the Administrator of Veterans' Affairs shall cause the indemnity to be paid as provided in section 4 only to the surviving spouse child or children (including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a step-parent, parent by adoption, or person who stood in loco parentis to the insured), brother, or sister of the insured. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person.

Any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the named contingent beneficiary, if any; otherwise, to the beneficiary or beneficiaries within the permitted class next entitled to priority.

SEC. 4. The indemnity shall be payable in equal monthly installments of 120 in number with interest at the rate of 2½ percent per annum.

SEC. 5. The automatic indemnity coverage authorized by section 2 shall apply to any person in the active service of the named Armed Forces who, upon death in such active service, or within 90 days after separation or release from such active service as prescribed in section 2, is insured against such death under a contract of national service life insurance or United States Government life insurance, but only with respect to a principal amount of indemnity equal to the difference between the amount of insurance in force at the time of death and \$10,000. Any person in active service, who is insured under a permanent plan of national service life insurance or United States Government life insurance, may elect to surrender such contract for its cash value. In any such case the person, upon application in writing made within 90 days after separation from active service, may be granted, without medical examination, permanent plan insurance on the same plan not in excess of the amount surrendered for cash, or may reinstate such surrendered insurance upon payment of the required reserve and the premium for the current month. Waiver of premiums under the National Service Life Insurance Act of 1940, as amended, shall not be denied in any case in which it is shown to the satisfaction of the Administrator that total disability of the applicant commenced prior to the date of his application.

SEC. 6. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations, not inconsistent with the provisions of this part, as are necessary or appropriate to carry out its purposes.

SEC. 7. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this part, to be known as the servicemen's indemnity appropriation, for the payment of liabilities under this part.

SEC. 8. Any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections refuses to perform



services in the land or naval forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to an indemnity under this act: *Provided*, That this provision shall not apply to any person who is thereafter restored to active duty. No indemnity shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States.

SEC. 9. The provisions of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935 (49 Stat. 607), and titles II and III of Public Law No. 844, Seventy-fourth Congress, approved June 29, 1936 (49 Stat. 2031), insofar as they are applicable, shall apply to the provisions of this part: *Provided*, That assignments of all or any part of the beneficiary's interest may be made by a beneficiary to a widow, widower, child, father, mother, brother, or sister of the insured, when all other persons within the permitted classes join in the assignment.

#### PART II—RESTRICTIONS ON ISSUANCE OF UNITED STATES GOVERNMENT LIFE INSURANCE AND NATIONAL SERVICE LIFE INSURANCE

SEC. 10. The National Service Life Insurance Act of 1940, as amended, is hereby amended by adding the following new sections:

"SEC. 619. On and after the date of enactment of the Insurance Act of 1951, except as otherwise provided in section 11 thereof, and section 5 of the Servicemen's Indemnity Act of 1951 and section 620 hereof, no national service life insurance or United States Government life insurance shall be granted to any person under the provisions of the National Service Life Insurance Act of 1940, as amended, or the World War Veterans Act, 1924, as amended, nor shall any Government life insurance or national service life insurance, on which the United States is authorized by law to pay the premium, be issued or granted to any person under any provision of law: *Provided*, That the foregoing shall not be construed to prohibit the granting or issuing of national service life insurance or United States Government life insurance in cases in which acceptable applications accompanied by proper and valid remittances or authorizations for the payment of premiums have, prior to the date of approval of the Insurance Act of 1951, been received by the Veterans' Administration, or which have, prior to said date, been placed in the mails properly directly to the Veterans' Administration, or been delivered to an authorized representative of any of the uniformed services.

"SEC. 620. Any person who is released from active service under other than dishonorable conditions on or after the date of enactment of the Insurance Act of 1951, and is found by the Administrator to be suffering from a disability or disabilities for which compensation would be payable if 10 percent or more in degree which renders such person uninsurable at standard rates for ordinary life insurance, according to recognized underwriting requirements of nongovernmental insurers, shall, upon application in writing made within 1 year from the date of release from active service and payment of premiums as provided in this act, be granted insurance by the United States against the death of such person occurring while such insurance is in force. Insurance granted under the provisions of this section shall be on a non-participating basis and all premiums and other collections therefor and premiums and other collections hereafter received on non-participating insurance issued under other provisions of this act, as amended, shall be credited directly to a revolving fund in the Treasury of the United States, and any payments on such insurance shall be made directly from such fund. Appropriations to such fund are hereby authorized. Except as herein provided, the other provisions of this act shall be for application to such insurance: *Provided*, That waiver of premiums under section 602 (n) shall not be denied

under this subsection on the ground that total service-connected disability commenced prior to the effective date of such insurance."

SEC. 11. Nothing contained in this act shall be construed to affect any rights under insurance contracts issued on or prior to the date of this enactment.

SEC. 12. This part may be cited as the Insurance Act of 1951."

Mr. RANKIN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that it be printed at this point, and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

Page 1, line 9, after the word "Guard", strike out the comma.

Page 2, line 25, after the colon, insert "And provided further, That for the purposes of this part, any person, who, on or after June 27, 1950, was or shall be provisionally accepted and directed or ordered to report to a place for final acceptance or for entry upon active duty in the military or naval service and who died or shall die as the result of disability incurred while en route to such place, or any registrant under the Selective Service Act of 1948, as amended, who on or after June 27, 1950, in response to an order to report for induction into the Armed Forces and who, after reporting to a local draft board, died or dies as the result of disability incurred while en route from such draft board to a designated induction station shall be deemed to have died in active service."

Page 4, line 9, after "installments", insert "of an indemnity."

Page 5, after line 11, insert "Any person in the active service having United States Government life insurance or national service life insurance on the 5-year level-premium-term plan, the term of which expires while such person is in active service after the date of this enactment, shall, upon application made within 90 days after separation from service, payment of premiums and evidence of good health satisfactory to the Administrator, be granted an equivalent amount of insurance on the 5-year level-premium-term plan at the premium rate for his then attained age."

Page 5, line 23, after "case", insert "of issue or reinstatement of insurance on a permanent plan under this section."

Page 6, line 25, after "607", insert "as amended."

Page 7, line 2, after "2031", insert "as amended."

Page 8, line 9, strike out "directly" and insert "directed."

Page 8, line 21, strike out "made within 1 year from the date of release from active service."

Page 9, line 15, after the word "in", insert "part I or part II."

Page 9, line 16, strike out "affect" and insert "cancel or restrict."

The committee amendments were agreed to.

Mr. EVINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EVINS: Strike out all of part II and substitute the following:

#### "PART II—ISSUANCE OF NATIONAL SERVICE LIFE INSURANCE

"SEC. 10. Section 602 (c) of the National Service Life Insurance Act of 1940, as amend-

ed, is hereby amended by adding the following new paragraph:

"(4) Any person who has had active service on and after June 27, 1950, and prior to the termination of the present emergency, as proclaimed by the President, shall be granted national service life insurance upon application therefor in writing after discharge or release from such active service and upon payment of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application: *Provided*, That in any case in which such application is made within 5 years after discharge or release from active service the Administrator shall not deny for the purposes of this paragraph that the applicant is in good health because of any disability or disabilities for which compensation would be payable if 10 percent or more in degree, and waiver of premiums under section 602 (n) shall not be denied in any case under this paragraph on the ground that total service-connected disability commenced prior to the effective date of such insurance: *And provided further*, That in any case in which insurance is granted by reason of the preceding proviso the premium paid on such insurance shall be credited directly to the national service life insurance appropriation, and any payments of benefits on such insurance shall be made directly from such appropriations."

"SEC. 11. This part may be cited as the Insurance Act of 1951."

Mr. EVINS. Mr. Chairman, this is a simple amendment. May I say that I have had the assistance of the Legislative Drafting Service, of the general counsel's office of the Veterans' Administration, and of the officials of the various veterans' organizations with respect to the language in this amendment. So it has been carefully prepared. It provides simply in substance that an honorably discharged veteran after the present hostilities may make application for and where qualified and on the same basis be granted national service life insurance as veterans of World War I and World War II. All this amendment does is give to future veterans the opportunity to acquire national service life insurance. We know that there will not be the great administrative cost of the insurance program during any future war under terms of this bill. The amendment which I propose would permit those who desire to contract for Government insurance after discharge the right to do so. We have already pointed out that the percentage of veterans who acquired insurance after discharge has, in the past, been limited in number, but those veterans who do desire to obtain veterans' insurance should be permitted to do so. My amendment provides for equity among veterans. It is a continuation of benefits that have already been provided. It is not a retraction, it is not a retrenchment and cutting back. My amendment would preserve benefits for future veterans which are presently existing in law.

I hope the amendment may be favorably considered by the House.

Mr. RANKIN. Mr. Chairman, of course this amendment would merely kill the bill.

Mr. EVINS. I disagree with the gentleman.

Mr. RANKIN. It was not offered in the committee, although the gentleman from Tennessee is on the committee and

seconded the motion to report the bill out.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Alabama.

Mr. ELLIOTT. As I understand the amendment I have just heard read, it was not offered before the subcommittee or the committee. The committee has had no opportunity to study it. In addition, it has what seems to me the fatal defect that it strikes out section 11, which preserves the integrity of the policies that were issued in World War I and World War II. I think the amendment is ill-considered and I regret that the gentleman from Tennessee has seen fit to offer it before first having it considered by the committee. The adoption of the amendment, would, in my judgment, greatly weaken this bill.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. KEARNEY. If the amendment offered by the gentleman from Tennessee is adopted, the whole purpose of this bill will be defeated.

Mr. RANKIN. That is right.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the veteran of World War I or the veteran of World War II who enjoys the privilege of reinstating his insurance paid premiums monthly while he was in the service?

Mr. RANKIN. Yes, sir; they did not get the benefit of this automatic insurance.

Here are some letters I have received from veterans' organizations approving this bill.

The first is from the Veterans of Foreign Wars.

It reads as follows:

JANUARY 24, 1951.

Re H. R. 1.

HON. JOHN E. RANKIN,  
Chairman, House Committee on Veterans' Affairs, House Office Building,  
Washington, D. C.

DEAR MR. RANKIN: I want to express the appreciation of the Veterans of Foreign Wars for the splendid work of the House Committee on Veterans' Affairs in connection with H. R. 1, which would provide a new approach to insurance coverage on the lives of all persons on active duty in the Armed Forces. I hope the House of Representatives will concur in the work of the Committee and approve H. R. 1 as reported, without amendments.

I understand there is some sentiment in the Congress toward an amendment which would grant a period of 2 years after release from active duty in which ex-servicemen, not previously policyholders under NSLI, would be privileged to subscribe to national service life insurance. On the surface this would appear to be a reasonable proposition but experience in the past clearly indicates that at the end of the 2-year period there will be a demand for another period, etc. If it should be the intention of Congress to perpetuate national service life insurance for all persons who enter the Armed Forces there would be no purpose in adopting the gratuitous indemnity form of coverage. To those who sincerely believe that veterans

should not be denied the right to subscribe to low-cost, subsidized Government insurance after leaving the service it should be pointed out that of some 20,000,000 policies issued during World War II, over 15,000,000 of said policies have been dropped.

It is the considered judgment of this office and the special insurance committee of our National Rehabilitation Service that the gratuitous indemnity coverage for all service personnel will provide equitable protection to all service personnel with a minimum of administrative red tape and far less cost to the Government than the current national service life insurance program.

Respectfully yours,

Omar B. Ketchum,

OMAR B. KETCHUM,

Director.

The next one is from the Disabled American Veterans. It reads as follows:

The Honorable JOHN E. RANKIN,  
Chairman, Veterans' Affairs Committee,  
House of Representatives,  
Washington, D. C.

DEAR MR. RANKIN: The Committee on Veterans' Affairs is to be congratulated upon favorably reporting the bill, H. R. 1, to authorize the payment of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service. We of the DAV are hopeful the measure will be accepted by the House as reported because of its many desirable features; also because of the resultant vast savings in money and manpower to the Federal Government.

The Comptroller General has estimated that had a gratuitous indemnity program been in effect during the period 1940-49, the saving to the Government would have been approximately \$587,000,000. Regarding necessary insurance personnel, the testimony in 1950 of the Veterans' Administration Insurance Administrator was that in time of emergency he thought "the manpower to operate an insurance system, projecting in the future, would probably not be available." He was then speaking about national service life insurance.

It might be pertinent to point out that since October 8, 1940, more than 22,500,000 NSLI policies have been issued. Three out of four of all former NSLI policyholders have permitted their policies to lapse. About 25.9 percent of NSLI policies now in force are carried by persons serving in the Armed Forces. Only 78 percent of those currently in the Armed Forces have taken out insurance. One out of every nine combat casualties of World War II had no national service life insurance whatsoever.

For the foregoing reasons, we of the DAV hope the House will pass H. R. 1 as reported by your committee, thus providing a complete insurance system to the members of our armed services at less cost to the Federal Government.

Very sincerely yours,

FRANCIS M. SULLIVAN,  
National Legislative Director.

Then here is one from the AMVETS:

JANUARY 24, 1951.

HON. JOHN RANKIN,  
Chairman, House Veterans' Affairs  
Committee, House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN RANKIN: AMVETS note with gratification that H. R. 1 is coming up for a vote in the House of Representatives on this date. Needless to say we are very happy that the Congress is seeing fit to consider this meritorious legislation. Many men in Korea today are without insurance protection due to the technical aspects of contractual relationships mandated by the Government insurance program. It is the sincere hope of our organization that Congress will pass H. R. 1 immediately.

AMVETS has for a considerable length of time favorably endorsed the theories set forth in H. R. 1. We believe that the bill carries out this Nation's obligations to its servicemen and to its veterans. In addition it will save this Government a considerable amount of money, and it will eliminate much of the red tape now existent in the Veterans' Administration.

The Assistant Administrator for insurance at the Veterans' Administration, Mr. Harold W. Breining, has testified that in the case of a national emergency it would be almost impossible to administer the present national service life insurance program. This, to us, seems to be enough evidence to warrant changing the system at once. However, change for the sake of change itself would not be in keeping with the expressed desires of the membership of this organization. We think that there are many other good reasons why H. R. 1 is good legislation:

1. It provides a universal coverage for all servicemen.

2. It is infinitely more simple to administer than the present unwieldy Government insurance programs.

3. The present program, if continued, could not be successfully administered in time of national emergency.

4. The present program is a costly item that is being tacked on to the cost of veterans' benefits, and we believe that if allowed to continue it will eventually affect the pension and compensation program as laid down by the Congress.

5. This new approach does not affect present policies issued under United States Government life insurance, nor under national service life insurance contracts.

6. All men disabled by reason of service to their country would be able to go into the national service life insurance program in the event that they were unable to obtain commercial coverage at normal premium-paying rates.

7. All men are protected for a reasonable time after the expiration of their service.

As you are aware, this matter has been studied extensively by the Hook Commission, by the House Committee on Expenditures in the Executive Departments, and by the House Veterans' Affairs Committee. All of these agencies have recommended a proposal similar to H. R. 1. We believe therefore that it is self-evident that H. R. 1 should and must be passed.

We urge that you do everything possible to get the House of Representatives to act favorably on H. R. 1. It is our feeling that the bill should be passed as written without any amendments unless those amendments are necessary for clarification purposes.

Very truly yours,

HAROLD RUSSELL,  
National Commander.

Mr. CAMP. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very greatly surprised at the turn that this matter has taken. I am not a member, of course, of the Committee on Veterans' Affairs, but having served in the House for six terms I have viewed with amazement the fact that every year we pass legislation which treats the veterans of different wars in a different way. Every veteran here of the First World War, and I am one of them, knows that the Government has servicemen's life insurance, and that we have the right to keep that insurance up after we were discharged from the Army. I continued my Government insurance and it is now paid up. Everybody here knows as a practical matter that the Veterans' Administration has an office which looks



after that insurance. We all know that the veterans of the Second World War were allowed to have servicemen's insurance. While it is true that this bill gives free insurance to these Korean veterans who do not have the right to take insurance, yet I see no reason in the world why we should not let those men take out servicemen's insurance on their release from duty if they want to do so and pay the premiums on it. If they are not allowed that right, then they will be getting different treatment from the veterans of the other two wars. As to the question of the excessive cost of administration I cannot understand that because the Government already has to keep an office to take care of the veterans who are carrying the insurance of the past two wars. We should not deny this right to these boys. It is said here that the private insurance companies will write the insurance for them cheaper than the Government. Everybody who has a policy with the Government knows that his insurance comes to him cheaper than it would if he had taken it out with one of the old-line life-insurance companies. We all know that. There is no argument about that.

So far as this amendment destroying the effect of this bill, I cannot understand that argument. This amendment makes it a better bill. I hope we will adopt this amendment and give these boys the right to take out the insurance.

Here is another reason why they should have it. The life-insurance companies give their policies on the basis of a strict medical examination. Many of these boys will not be able to get insurance in the old-line companies when they return. Many of them cannot get that insurance.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. KEARNEY. I would like to call the attention of the gentleman to the provisions of the bill under which the soldiers will be able to take out national service life insurance.

Mr. CAMP. I think the provision of your bill is that if he has a disability which would grant him a pension, then he can take out the insurance. Does not your bill say that he must be 10 percent disabled?

Mr. RANKIN. No; it does not.

Mr. CAMP. All right. Then the bill only gives the right to take out the insurance to those who are disabled, is that right? Suppose a man comes out of the service and he is not disabled. Then you are treating him differently from the way the veterans of the other two wars are being treated. I think he should have the right to take out the insurance if he pays the premium for it. The premium charged for it is more than the cost of it. To illustrate that, the Government recently paid back huge dividends out of the profit they made on the servicemen's insurance. This thing would not cost the Government anything. Bear that in mind. These veterans have paid premiums for the insurance, and they should have that right.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. HARDY. With reference to the gentleman's statement that the premiums are more than the cost of the insurance, I am sure the gentleman is aware of the fact that the premiums do not pay any of the administrative costs and that is entirely paid by the Government.

Mr. CAMP. That is exactly the point I am making. I sat here and listened to your argument as well as the arguments of the other gentlemen. The Government will have to have an office and will have to have these men taking care of the insurance already taken out by the veterans of the other two wars and it will not take any additional cost. That argument, I think, is specious. I hope the House will give these boys the right to take out a policy when they come out of the service, just like the other boys have.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DAVIS of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what this amendment amounts to is that those who want to give them this national service life insurance right are willing to take all the benefits that would come to them under this bill, but they are also willing to cut any benefits to the American taxpayer that would come from this bill. "Take all that we can get and give us something else in addition to it. Do not worry about anybody else."

The basic benefit to be derived from this bill is to cut out the myriads of red tape, the unnecessary personnel that goes with the continuance, year after year, of the national service life insurance. When a man comes out of the service without any service-connected disability, he comes out as an able-bodied man. What more reason is there for furnishing that man with subsidized insurance for which he pays no part of the administration cost than there would be for setting up a commissary and furnishing him with his clothing and his food, or anything else that he might want, and have the Government pay for the administrative cost? If insurance is necessary to that man, so are his food and his clothing. The same argument that applies to giving him subsidized insurance would apply to any other necessity or convenience in his life.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. MORTON. Is it not true that our first obligation to the man who is fighting in Korea, and who we hope will come back here able-bodied, is to give him a country with a fiscal policy sound enough to preserve those things for which he is now fighting, and not yield to the pressure of the moment to some group that might favor some additional benefit?

Mr. DAVIS of Wisconsin. That I would say, plus freedom from the myriads of miles of red tape which would hamstring his Government so that Government could not continue to function.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. EVINS. The gentleman spoke of additional benefits. All we are going to do is to preserve and save the present benefits; not to cut back.

Mr. DAVIS of Wisconsin. Let me answer that by saying this: That when we give increased and improved benefits to veterans of each succeeding war of this country, does the gentleman feel that there is an obligation, in addition to those improved benefits, to add thereto any benefits that any veteran has ever had in the history of the United States? I think that is about what the position of the gentleman amounts to.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. HAYS of Ohio. In addition to giving complete coverage to every man in the service, the second basic reason for this bill was to eventually, someday, get the Government out of the insurance business.

Mr. DAVIS of Wisconsin. The gentleman is right.

Mr. HAYS of Ohio. And if we do not make a start here, we are just going to continue in the insurance business as much as ever.

Mr. DAVIS of Wisconsin. I think the gentleman is absolutely right. This bill protects every existing right that the veteran has.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. HARDY. There is no abridgment of any rights to any existing policy holder by the passage of this bill?

Mr. DAVIS of Wisconsin. That is correct.

Mr. HARDY. So that any holder of life insurance is completely protected?

Mr. DAVIS of Wisconsin. He loses no benefits.

Mr. HARDY. He has every right that he now has?

Mr. DAVIS of Wisconsin. That is correct.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. CAMP. But he does not have the right to have servicemen's life insurance which the veteran of World War I and the veteran of World War II has, if the veteran wants to pay the premium?

Mr. DAVIS of Wisconsin. That is correct, but you completely ignore the fact that during the time he was in the service he pays nothing for the insurance. Those men who carried it during wartime had to pay substantial premiums on that policy during the time that they were in the service of our country.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. ALBERT. I was just going to suggest to the gentleman that members of the service in World War I and World War II did not have free insurance, either.

Mr. DAVIS of Wisconsin. They certainly did not.

Mr. Chairman, I hope this amendment will be voted down, because I consider that it would be losing a major portion of the benefit of this legislation were the amendment of the gentleman from Tennessee to be adopted.

Mr. YORTY. Mr. Chairman, the indemnity provisions of H. R. 1 are certainly sound and desirable, but there should be added to this bill the amendment offered by the gentleman from Tennessee, which amendment would give to the veterans now in service the same opportunities to acquire national service life insurance that were given to those of us who served in World War II. Certainly we should make every effort to curtail unnecessary expenses, but this could be better done by eliminating farm subsidies and other currently unnecessary expenses instead of denying insurance benefits to the men and women in Korea who are unable to be here to speak for themselves, and who are not even allowed the option of deciding which they would prefer, indemnity or insurance.

The savings made by denying national service life insurance to those now serving in the Armed Forces will be negligible compared with what we could save the taxpayers by effective price control and elimination of some politically popular subsidies.

Some of the gentlemen opposed to the national service life insurance for present service men and women have pointed to the inefficiency of the Insurance Division of the Veterans' Administration. This inefficiency should be eliminated, even if we find it necessary to have the work done by contract with a private company. As a matter of fact, if private companies are willing, as some have said, to issue policies comparable with national service life insurance policies at the same premiums, it seems to me the gentlemen who wish to get the Government out of the insurance business by abolishing national service life insurance might very well consider asking private carriers to arrange to take over the risks and premiums of the existing insurance, instead of denying service men and women any opportunity at all to obtain national service life insurance in the future.

The gentlewoman from Massachusetts has predicted the adoption in the Senate of an amendment similar to the one proposed by the gentleman from Tennessee, but we cannot be certain that the Senate will adopt such an amendment, and therefore we should do so here and now.

Mr. RANKIN. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. EVINS].

The question was taken; and on a division (demanded by Mr. EVINS) there were—ayes 14, noes 79.

So the amendment was rejected.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair,

Mr. KELLEY of Pennsylvania, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1) to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes, pursuant to House Resolution 83, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 390, nays 0, not voting 44, as follows:

[Roll No. 8]  
YEAS—390

|                  |               |                |
|------------------|---------------|----------------|
| Aandahl          | Buffett       | Fallon         |
| Abbitt           | Burdick       | Feighan        |
| Abernethy        | Burleson      | Fellows        |
| Adair            | Burnside      | Fenton         |
| Addonizio        | Burton        | Fernandez      |
| Albert           | Busbey        | Fine           |
| Allen, Calif.    | Bush          | Flood          |
| Allen, Ill.      | Butler        | Fogarty        |
| Allen, La.       | Byrnes, N. Y. | Forand         |
| Andersen         | Byrnes, Wis.  | Ford           |
| H. Carl          | Camp          | Forrester      |
| Anderson, Calif. | Cannon        | Frazier        |
| Andresen         | Carlyle       | Fugate         |
| August H.        | Carnahan      | Fulton         |
| Andrews          | Chatham       | Furcolo        |
| Arends           | Chenoweth     | Gamble         |
| Armstrong        | Chipchfield   | Garmatz        |
| Aspinall         | Chudoff       | Gary           |
| Auchincloss      | Church        | Gathings       |
| Ayres            | Clemente      | Gavin          |
| Bailey           | Clevenger     | George         |
| Baker            | Cole, Kans.   | Golden         |
| Barden           | Cooley        | Goodwin        |
| Baring           | Cooper        | Gordon         |
| Barrett          | Corbett       | Gore           |
| Bates, Ky.       | Cotton        | Gossett        |
| Bates, Mass.     | Cox           | Graham         |
| Battle           | Crawford      | Graham         |
| Beall            | Crosser       | Granger        |
| Beamer           | Crumpacker    | Grant          |
| Beckworth        | Cunningham    | Green          |
| Belcher          | Curtis, Mo.   | Greenwood      |
| Bender           | Curtis, Nebr. | Gregory        |
| Bennett, Fla.    | Dague         | Gross          |
| Bennett, Mich.   | Davis, Ga.    | Gwinn          |
| Bentsen          | Davis, Tenn.  | Hagen          |
| Berry            | Davis, Wis.   | Hale           |
| Betts            | Dawson        | Hall           |
| Bishop           | Deane         | Edwin Arthur   |
| Blackney         | Delaney       | Hall           |
| Blatnik          | Dempsey       | Leonard W.     |
| Boggs, Del.      | Denny         | Halleck        |
| Boggs, La.       | Denton        | Hand           |
| Bolling          | Devereux      | Harden         |
| Bolton           | D'Ewart       | Hardy          |
| Bonner           | Dollinger     | Harris         |
| Bosone           | Dolliver      | Harrison, Va.  |
| Bow              | Dondero       | Harrison, Wyo. |
| Boykin           | Donohue       | Hart           |
| Bramblett        | Donovan       | Harvey         |
| Bray             | Dorn          | Havenner       |
| Brehm            | Doughton      | Hays, Ark.     |
| Brown, Ga.       | Doyle         | Hays, Ohio     |
| Brown, Ohio      | Eaton         | Hedrick        |
| Brownson         | Elliott       | Heffernan      |
| Bryson           | Elston        | Heller         |
| Buchanan         | Engle         | Herlong        |
| Buckley          | Evins         | Heselton       |

|                 |                |                 |
|-----------------|----------------|-----------------|
| Hess            | Martin, Iowa   | Saylor          |
| Hill            | Martin, Mass.  | Schwabe         |
| Hillings        | Mason          | Scott,          |
| Hinshaw         | Meador         | Hugh D. Jr.     |
| Hoeven          | Merrrow        | Scudder         |
| Hoffman, Mich.  | Miller, Md.    | Secrest         |
| Hollifield      | Miller, Nebr.  | Seely-Brown     |
| Holmes          | Miller, N. Y.  | Shafer          |
| Hope            | Mills          | Sheehan         |
| Horan           | Mitchell       | Shelley         |
| Howell          | Morano         | Sheppard        |
| Hull            | Morgan         | Sieminski       |
| Hunter          | Morris         | Sikes           |
| Irving          | Morton         | Simpson, Ill.   |
| Jackson, Calif. | Multer         | Simpson, Pa.    |
| James           | Mumma          | Sittler         |
| Jarman          | Murdock        | Smith, Kans.    |
| Javits          | Murphy         | Smith, Miss.    |
| Jenison         | Murray, Tenn.  | Smith, Va.      |
| Jenkins         | Murray, Wis.   | Smith, Wis.     |
| Jensen          | Nelson         | Spence          |
| Johnson         | Nicholson      | Springer        |
| Jonas           | Norblad        | Staggers        |
| Jones, Ala.     | O'Brien, Ill.  | Stanley         |
| Jones, Mo.      | O'Brien, Mich. | Steed           |
| Jones           | O'Hara         | Stefan          |
| Hamilton C.     | O'Neill        | Stigler         |
| Jones           | Ostertag       | Stockman        |
| Woodrow W.      | Passman        | Sullivan        |
| Judd            | Patman         | Sutton          |
| Karsten, Mo.    | Patten         | Tackett         |
| Kean            | Patterson      | Talle           |
| Kearney         | Perkins        | Taylor          |
| Kearns          | Philbin        | Teague          |
| Keating         | Phillips       | Thomas          |
| Kelley, Pa.     | Pickett        | Thompson,       |
| Kelly, N. Y.    | Poage          | Mich.           |
| Keogh           | Polk           | Thompson, Tex.  |
| Kerr            | Potter         | Thornberry      |
| Kersten, Wis.   | Poulson        | Tollefson       |
| Kilburn         | Powell         | Towe            |
| Kilday          | Preston        | Trimble         |
| Kirwan          | Price          | Underwood       |
| Klein           | Priest         | Vail            |
| Kluczynski      | Prouty         | Van Zandt       |
| Lane            | Quinn          | Vaughn          |
| Lanham          | Radwan         | Vinson          |
| Lantaff         | Rains          | Vorys           |
| Larcade         | Ramsay         | Vursell         |
| Latham          | Rankin         | Walter          |
| LeCompte        | Reams          | Weichel         |
| Lesinski        | Redden         | Welch           |
| Lind            | Reece, Tenn.   | Werdel          |
| Lovre           | Reed, Ill.     | Wharton         |
| Lucas           | Reed, N. Y.    | Wheeler         |
| Lyle            | Rees, Kans.    | Whitaker        |
| McCarthy        | Regan          | Whitten         |
| McConnell       | Rhodes         | Wickersham      |
| McCormack       | Ribicoff       | Widnall         |
| McCulloch       | Richards       | Wier            |
| McDonough       | Riehlman       | Williams, Miss. |
| McGrath         | Riley          | Williams, N. Y. |
| McGregor        | Rivers         | Willis          |
| McGuire         | Roberts        | Wilson, Ind.    |
| McKinnon        | Robeson        | Winstead        |
| McMillan        | Rodino         | Winthrow        |
| McMullen        | Rogers, Colo.  | Wolcott         |
| McVey           | Rogers, Fla.   | Wolverton       |
| Machrowicz      | Rogers, Mass.  | Wood, Ga.       |
| Mack, Ill.      | Rogers, Tex.   | Wood, Idaho     |
| Mack, Wash.     | Roosevelt      | Woodruff        |
| Madden          | Sabath         | Yates           |
| Magee           | Sadiak         | Yorty           |
| Mansfield       | St. George     | Zablocki        |
| Marshall        | Sasscer        |                 |

NOT VOTING—44

|               |                |               |
|---------------|----------------|---------------|
| Anfuso        | Durham         | Moulder       |
| Angell        | Eberharter     | Norrell       |
| Breen         | Ellsworth      | O'Konski      |
| Brooks        | Fisher         | O'Toole       |
| Budge         | Gillette       | Rabaut        |
| Canfield      | Hébert         | Rooney        |
| Case          | Herter         | Scott, Hardie |
| Celler        | Hoffman, Ill.  | Scrivner      |
| Chelf         | Jackson, Wash. | Short         |
| Cole, N. Y.   | Kee            | Taber         |
| Colmer        | Kennedy        | Van Pelt      |
| Combs         | King           | Velde         |
| Coudert       | Mahon          | Wigglesworth  |
| DeGraffenried | Miller, Calif. | Wilson, Tex.  |
| Dingell       | Morrison       |               |

So the bill was passed.

The Clerk announced the following pairs:

Mr. Durham with Mr. Canfield.  
Mr. Wilson of Texas with Mr. Angell.  
Mr. Anfuso with Mr. Wigglesworth.  
Mr. Hébert with Mr. Taber.  
Mr. Morrison with Mr. Budge.  
Mr. Rooney with Mr. Cole of New York.  
Mr. Miller of California with Mr. Ellsworth.



Mr. deGraffenried with Mr. Herter.  
 Mr. Colmer with Mr. Hoffman of Illinois.  
 Mr. Celler with Mr. Short.  
 Mr. Jackson of Washington with Mr. Har-  
 die Scott.  
 Mr. King with Mr. Case.  
 Mr. Rabaut with Mr. Velde.  
 Mr. Dingell with Mr. Gillette.  
 Mr. Eberharter with Mr. Coudert.  
 Mr. Moulder with Mr. Scrivner.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### ORGANIZATION OF THE AIR FORCE

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1726) to provide for the organization of the Air Force and the Department of the Air Force, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1726, with Mr. BATTLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the title of this bill pretty thoroughly expresses the purpose of the bill, which is to provide for organization of the Air Force, the Department of the Air Force, and for other purposes. This is a counterpart of the bill which we had here in the last Congress for the statutory organization of the Army.

First, let me point out some things that this bill does not do: It does not in any way increase or diminish the personnel strength of the Air Force, either the officer personnel or the enlisted personnel. I make this point because I found before the Rules Committee that I did not make that strong enough and some were of the opinion that it increased the number of higher-ranking officers of the Air Force; it does not do so.

The Air Force, of course, is a new organization, having been separated from the Army by the so-called Unification Act, the National Security Act of 1947.

The Army has been in existence for many, many years. Over a period of 150 years through historical organization, through tradition, and through legislation it had acquired a very rigid statutory organization. The organization existing for the Army on a permanent basis was the organization provided in the National Defense Act of 1916 as amended in 1921.

The organizational set-up by statute, as I said, was very rigid, separating the Army into branches, services, departments, and corps. The Air Force became a separate organization; it be-

came so under the National Security Act which was reported to the House by the Committee on Expenditures in the Executive Departments and not by either of the committees which for a long period of time had handled legislation affecting the armed services. Thus, other than those provisions for organization which the Air Force took with them from the Army, practically the only permanent law with reference to Air Force organization is that there shall be an Air Force, a Secretary of the Air Force, and a Chief of Staff who shall command the same.

In this bill we do not intend to impose the rigid type of organization upon the Air Force which the Army has had in the past; thus the approach, in considering the Air Force bill and the Army bill—they were considered by the same subcommittee of the Committee on Armed Services—was completely opposite. The purpose in the Army organization bill was to relieve the Army from many of the rigid controls as to organization and administration which had previously affected it. The approach to this, inasmuch as the Air Force has very few laws controlling it, was to exercise the constitutional obligation and duty of the Congress to provide legislative authority and a legislative policy as to the organization of the Air Force.

It sets out in brief a codification of the system under which the Air Force is presently operated, making very few changes, the principal one I propose to mention specifically as we consider the bill. It follows pretty generally the definitions such as we have affecting the Army. It provides, of course, for a Secretary, an Under Secretary, and Assistant Secretaries of the Air Force, and it provides for the first time an Air Staff.

The General Staff system of the Army was set up in 1903 by law. There is no such law as to the Air Force, although the Air Force has had from time to time, separated from the Army, an Air Staff as distinguished from the Army General Staff. It is called the Air Staff. For the first time by law we authorize the Air Staff.

We also provide for a Chief of Staff, a Vice Chief of Staff, not to exceed five Deputy Chiefs of Staff, and such other members of the Air Force and such civilian officers and employees in or under the jurisdiction of the Department of the Air Force as may be assigned or detailed under regulations prescribed by the Secretary of the Air Force. The important place where we have changed the statutory organization of the Air Force is as to the command of the Air Force by the Chief of Staff.

The National Security Act of 1947 provides that the Chief of Staff shall command the Air Force. The Chief of Staff of the Army does not and has never had command of the Army. He has had supervision of the Army. In the Navy the Chief of Naval Operations does not command the Navy. The Chief of Naval Operations commands the operating forces of the Navy. This is of very considerable importance, although first it may seem to be a play on words. Our bill provides for supervision and not

command. The Army Chief of Staff has supervision, not command.

In other words, in conformity with our system of government as provided in the Constitution, it is the view of our committee that no individual, no professional military individual, should be permitted to command the entire military force, whether it be the Army, Navy, or Air Force. The command of the Armed Forces of the United States is by the Constitution vested in the President of the United States. He is the Commander in Chief. So that no individual should be permitted to command the entire Army, the entire Navy, or the entire Air Force. There is no objection to a military man commanding any given segment of any one of the three services, but in the over-all command of all it should be the President as provided in the Constitution. This bill, throughout, preserves civilian control of the Air Force; so does the bill organizing the Army and organizing the Navy. The President, the Secretary of Defense, and the Secretary of the particular service are in general supervision of the Military Establishment, and they always come ahead of the military. That preserves the type of government that we have organized in the United States from the beginning.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. JOHNSON. I wish the gentleman would kindly explain to the Committee the provision on page 5, paragraph (c). Some of the Members are in doubt as to exactly what that means, and I am sure the gentleman can explain it so that it has no hidden meaning or derogatory effect if the bill is passed.

Mr. KILDAY. The gentleman means if he is acting as Secretary of the Air Force, "section 1222, Revised Statutes (10 U. S. C. 576) shall not apply to him by reason of his temporary performing such duties?"

Mr. JOHNSON. Yes. It is the same provision as has been in effect with reference to the Army; in other words, if a catastrophe happens and the Secretaries are all killed, then the President could temporarily appoint the Chief of Staff as the Secretary of the Air Force.

Mr. KILDAY. The purpose of the exception to the Revised Statutes is to protect the Chief of Staff's appointment as Chief of Staff. Otherwise, upon assuming the office temporarily he would be affected by the section of the Revised Statutes which prohibits an officer from holding a civil office while on the active list. I understand some have raised the question of having the Chief of Staff appear in line of succession with the civilian Secretary, Under Secretary, and Assistant Secretaries. That is nothing new in our military system. As a matter of fact, it seldom happens, but it has occasionally happened that the Chief of Staff of the Army has functioned as Acting Secretary of War. I do not believe it has happened since we have had the Secretary of the Army. General Craig, perhaps General Marshall—but I am sure General Craig served as Acting Secretary of War. In that one place we have a slight deviation from the civilian

control, of which I was speaking. It is one place that seems to be lax, but it is in accordance with traditions and history. It has presented no difficulty in the past, but on the contrary, on occasion, has been found to be helpful and convenient.

Mr. JOHNSON. Is it not a fact that all this law does is to codify the practices that the Air Force has been administering for the last 20 years; ever since they were established?

Mr. KILDAY. I want to emphasize that it is a codification of the system already existing in the Air Force. For 20 years? I cannot say that, because we did not have a complete separation until the National Security Act of 1947. In that respect there is this distinction—the bill does not create any separate corps in the Air Force. The Army has many corps, departments, and branches that have been set up, and they have come down through the years. The Air Force has never been organized that way. It has had a more elastic organization from the time it was separated from the Army, and we preserve that situation here. There is no separate corps. Of course, it was suggested that there should be. Testimony was given and witnesses appeared suggesting that a separate Judge Advocate General Corps be provided for the Air Force. That is not done by this bill. In one respect, however, it departs from the general formula of the bill. It provides that the Judge Advocate General of the Air Force shall be a permanent major general. I said we did not create any new general grades. Well, we did not. The Judge Advocate General now is a major general, but he is not a permanent major general. He has a spot promotion as major general while acting as Judge Advocate General. It is the view of the committee that it would probably be better to make him a permanent major general to lessen any suspicion of control over him by the commanding officers of the Air Force in discharging his function in connection with the administration of military justice. It provides that he be a permanent major general, so he is not going to be looking to promotion or fear any reduction.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. In the bill as it is now written it does not provide that the Judge Advocate General be a lawyer. However, it is my understanding that another act does make that provision; is that correct?

Mr. KILDAY. Yes; in the Uniform Code of Military Justice. Of course, he has to be a lawyer.

The other provisions with respect to the Judge Advocate General are to integrate the Air Force into the uniform code of military justice which was adopted in the last Congress and which becomes effective on the 31st day of May this year. It is to make sure that those things to be done by the Judge Advocate General under that code come within the jurisdiction of the Judge Advocate General of the Air Force.

The other principal provision is that we create by statute three commands

that we specify as major commands. They are the Air Defense Command, the Strategic Air Command, and the Tactical Air Command. These are all combat forces. The three major commands created by the statute are all combat forces.

There is another provision that authorizes such other commands, organizations, and forces as may from time to time be established by the Secretary of the Air Force. Of course, now you have the training command, the matériel command, and others. Thus there may be other commands, but they are not specified as major commands. The major commands are the three combat commands.

We thought it was very important that we stress these three commands; one of the greatest reasons being that we wanted Congress to emphasize that we wanted these strategic and tactical forces built up and maintained, the emphasis being on the tactical command as well as the strategic command, and then the air-defense command, which is, of course, for the defense of our own country; so we have the three major fighting commands.

Then the bill provides that the country can be divided into various areas, for the purpose of command.

It may be that as time goes on we are going to find it necessary to impose a more rigid organization upon the Air Force. We feel that at this time, while it is in its formative period, it should not be too rigidly controlled, that experience should be permitted to develop, so we will know just where additional organization is necessary. That controlled us a great deal in providing only the three major commands by statute, and then setting up other or less important commands by administrative procedure in the department.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. JOHNSON. Would the gentleman be kind enough to place in the Record, unless he happens to know exactly what it is now, the provisions of section 203? We want to have in the Record how many lieutenant generals will be permitted in this new Air Force.

Mr. KILDAY. The Air Force is authorized 13 permanent lieutenant generals and 4 permanent four-star generals.

Mr. Chairman, I believe the bill is adequate for the purposes, and, under existing circumstances, as far as we should go in discharging our obligation to formulate the military policy and the legislative policy for the armed services. We should take this step at this time.

Mr. ARENDS. Mr. Chairman, I just want to thank the gentleman from Texas [Mr. KILDAY] for the full and comprehensive report on the bill presently before us. There seems to be no opposition. There was no opposition in the Committee on Armed Services in reporting this bill.

Mr. Chairman, I have no further requests for time, and yield back the balance of the time on this side of the aisle.

Mr. KILDAY. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I have asked for this minute in order to make an announcement as requested by the majority leader. The majority leader has instructed me to say for the information of the Members of the House that after the conclusion of this bill, there is no further legislative program for this week. The House, of course, will meet tomorrow, when it is hoped that we may be able to adjourn over until Monday. There is no legislative program for tomorrow.

Mr. KILDAY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, and ladies and gentlemen of the Committee of the Whole, I want to thank the gentleman from Texas [Mr. KILDAY] for this opportunity of rising and explaining my position. During the 6 years that I have been in the House I have always offered an antisegregation amendment to every bill that has come before us pertaining to the Armed Forces. I rise today to state that I will not do this during the period now—the period when we are at war. The thing that is important to us now is victory, victory at all costs, except the cost of losing our civil liberties.

During the 6 years that I have fought for the abolition of segregation in the Armed Forces, step by step we have seen great improvement; and I am happy to state today that men of my racial group are serving with great distinction and courage in the Korean conflict. Before the Korean conflict Paul Robeson said that Negro people would not take up arms against Soviet Russia. The very next morning I stood in the well of this House and said that Paul Robeson was not stating the truth concerning the peoples of my group, that when the call to arms came, we would answer the same as anyone else, as they always have done. Time has proven that I was correct. Already the Congressman from Massachusetts [Mr. LANE] has told this House of the courage of the Twenty-fourth Infantry, and the heroic stand that they took, which helped to give us our first victory in the Korean conflict.

I have before me an article concerning Lieutenant Wynn, of North Carolina.

The article is as follows:

[From the Pittsburgh Courier]

NEGRO OFFICER'S ACTION UNEQUALED IN MILITARY HISTORY

(By Alex M. Rivera, Jr.)

DURHAM, N. C.—Will Lt. Ellison Wynn of the baker company of the second division receive the Nation's highest decoration, the Congressional Medal of Honor?

Twice wounded in the Korean fighting zone, Lieutenant Wynn, of Durham, N. C., is now recovering at an Army hospital in Osaka, Japan, for action which an authoritative Army historian has described as "perhaps unequalled in American military history."

A baker in a Durham hospital before he volunteered for Korean combat duty, Lieutenant Wynn, who is married and the father of two small daughters, distinguished himself as leader of an integrated unit of white and Negro fighting men.



Col. L. S. A. Marshall, the Army's roving efficiency expert on Infantry operations in Korea, picked Wynn's unit "as possibly the bravest in the action."

Wynn's wife, Mrs. Meneva Wynn, of 1205 Fifth Avenue, Durham, told this reporter who was one of Wynn's high school classmates, that her husband "has been badly hit by mortar fire." It has been learned that the right side of Wynn's face was virtually blown away. Plastic surgery is being considered for him.

#### WYNN AND THE CONGRESSIONAL MEDAL

Colonel Marshall has said of the action of the mixed white and Negro unit under Wynn's command: "That company's stand was perhaps unequalled in American military history. It entered action with 125 men and withdrew only on regimental orders with its tall fighting like hell 24 hours later with only 34 men not wounded."

The company commander, Capt. William C. Wallace, Petersburg, Va., was wounded in the first hour of battle and his executive officer, Lieutenant Wynn, led the company for the next 24 hours.

"Get the picture," Marshall said. "The commanding officer from Virginia, a Negro second in command and two noncoms, Cpl. Donald Crawford (South Boston, Va.) and Sgt. Laurence C. Smith, Jr. (Sandstone, Va.) distinguished themselves along with Wynn."

Marshall said that the fighting at close quarters was so savage that there were reported instances of fist fighting between Americans and Chinese. He added that neither in the Pacific nor European campaigns of World War II did "I find a division that fought with more gallantry than the Second."

Marshall compiled the detailed histories of 16 companies of the Ninth, Twenty-third and Thirty-eighth Infantry Regiments during their furious week-long battle and withdrawal from Kujangdong south to Suchon last month.

Marshall is chief editorial writer of the Detroit News and a former Army historian of World War II.

May I further quote from this newspaper concerning Lt. Harry E. Sutton, of the Bronx:

#### SAVED BEACHHEAD—LIEUTENANT, HIS PLATOON HUNGNAME HEROES

HUNGNAME, KOREA.—Leonidas, the intrepid Spartan at Thermopylae, found his twentieth century counterpart on the ever-tightening UN beachhead here at this beleaguered port early on the morning of December 18. He was First Lt. Harry E. Sutton of the Bronx, N. Y., who, with his platoon, stood off frenzied Chinese attacks and saved every UN soldier on this beachhead.

Only Lieutenant Sutton and his little platoon of heroic Negro doughboys stood between the Reds and the Sea of Japan, into which the Reds are trying to drive the UN forces. If Lieutenant Sutton's platoon had yielded the end would have been written then and there to the saga of the allied evacuation from North Korea. He did not yield.

#### ATTACKED BEFORE DAWN

Starting before dawn on that subzero Monday morning in banal yells of charging Chinese, the sound of their blowing bugles and their fanatic battering away at the position held by Lieutenant Sutton, were the signals for the beginning of one more epic stand in the annals of military history.

From early dawn Monday until Tuesday afternoon, Lieutenant Sutton led his men to attack and counterattack, and the blood of Chinese soldiers reddened the white snow atop the triple ridges over which Sutton had strung out his weary, grimy, half-frozen men. Before the day was ended, allied officers had added a new name to the long list made famous by gallant stands: Sutton's Ridge, they called the triple hills.

#### INCESSANT WAVES

Repeatedly the Chinese threw themselves in incessant waves against the valiant band of Negro soldiers who calmly loaded and reloaded their M1 rifles and Browning automatic rifles and fired again and again into the oncoming human waves. They wrote a brilliant story of heroism here on Hungnam's beachhead which will live forever in the minds of the thousands of UN troops who are living today because these Negro soldiers said: "They shall not pass." For the Chinese did not pass.

Lieutenant Sutton's platoon was assigned to hold a long three-humped ridge as part of the port defenses of the United States Third Infantry Division, on the eastern flank of the beachhead. The Reds—Chinese and North Koreans—were on the next ridge line over the Negro GI's. At 7:45 Monday morning they struck. They hit Sutton's position with everything they had.

#### OLD-FASHIONED FIGHTING

Moving back and forth in World War I trench fashion, Sutton and his men picked the Reds off as they came with a cross-fire. "But they just kept coming," Lieutenant Sutton said later, "All day they kept hitting us in small groups. We would wipe out one bunch, and before we knew it another bunch was coming in."

The Reds tried to pin down Sutton and his men with heavy fire, so they could rush the entrenchments. Sutton's men brought all their firepower into play in return. The Reds were using captured American rifles and machine guns in this attack.

Brilliant individual examples of heroism stood out. Facing the Reds head-on, Master Sgt. Tyler Collins, of Malone, Fla., stood upright and picked off seven Reds, one by one, as they rushed in, coolly disregarding their frantic fire. One bazooka man in the platoon fired one burst at the Reds and his single shot killed ten of them. Around 7 o'clock Monday evening, the Reds eased their attack.

Two hours later they broke loose again and Lieutenant Sutton and his men went back into action facing a new type of attack from the Reds. They had altered their tactics and were using sniper style attacks. These kept up all through the long, cold night.

#### NEW ATTACKS

At 6 a. m. Tuesday, the Reds threw a wall of fire at the center of Sutton's ridge, as the spot was now known. A suicide attack was thrown at Lieutenant Sutton's left flank. But the intrepid platoon then got some help—for the first time in the fray. It came from the massed fire of United States artillery to the rear on the shrinking beachhead. Sutton's men fought from trench to foxholes as the Reds attacked again and again. But the Reds couldn't break through.

Had they broken through, they would have gone straight through to the sea of Japan. Some Reds managed to get into Sutton's lines, but he and his men killed them off as fast as they got in. After battle examination showed that some of the Reds had morphine on their persons, indicating that they might have come into the battle doped. One Negro GI was found dead beneath the bodies of two Reds; he had killed them both.

#### KNOCKED OUT MG

Pfc. Elijah Whitley, of Toledo, Ark., used his BAR to put a Red machine gun out of action just as the Reds had gotten it into place along the ridge line. When all was over, Reds were strewn over the snowclad hillsides in all kinds of crazy positions. They had failed to take the position held by Lieutenant Sutton and his men.

Lieutenant Sutton, a veteran of the Pacific in World War II, and with some 10 years of Army experience behind him, said he had never seen anything like it before. "I'm

proud of my men," he said. "We're proud of the lieutenant," said the men; "he was great."

And then came the most startling revelation of all: When the Reds finally gave up their attack, every man in his platoon was down to his very last clip of .30 caliber ammunition for their M1 rifles.

The New York Times of Friday, December 22, 1950, further supports the Pittsburgh Courier article on Lieutenant Sutton, with a press release from the Associated Press:

#### NEGRO UNIT HAILED ON HUNGNAME STAND—PLATOON LED BY BRONX OFFICER STAVED OFF MOST SERIOUS THREAT TO BEACHHEAD

WITH UNITED STATES THIRD DIVISION IN KOREA, December 20.—A gallant Negro infantry platoon fought off the most threatening approach yet to a Communist break-through into the Hungnam beachhead.

The United States unit was led by Lt. Harry E. Sutton, of 1100 Franklin Avenue, the Bronx, N. Y., when the North Koreans made their wild charge.

The Red assault disintegrated when each United States soldier was down to his last ammunition clip of eight bullets. That's how close the Communists came to penetrating at least the outer United Nations defense ring.

The savage battle of "Sutton's Ridge" began before dawn Monday. The United States counter-attack ended Tuesday noon.

Since then the United States troops have shifted positions. The story now can be told without endangering security.

A famous Third Division regiment was holding part of the hilly eastern flank of the beachhead. Lieutenant Sutton's platoon was assigned to a long, three-humped ridge.

Lieutenant Sutton has been a soldier a long time and an infantry lieutenant 5 years. He spotted his men in strong points on the three ridge nipples and along the World War I type trenches that civilian workers had gouged in the frozen earth.

He was worried. Fresh North Korean soldiers—reorganized, reequipped, and fanatic—were on the next ridge line over. On his right flank they had strongpointed a hill that surrounding crags masked from United States artillery.

At 7:45 a. m., Monday, the Communists struck. Crawling up the bare windswept ridge came 3 groups of 20 men—1 group on each flank, 1 dead center. Just a small attack, but made by ferocious men who would not stop even when wounded.

The United States soldiers moved back and forth in their old-fashioned trench, picking off the Reds.

"But they kept coming and coming, Lieutenant Sutton said. "All day small groups of them kept coming. We would wipe out this bunch, and before we knew it the Reds were back again."

The Communists from the ridge line opposite tried to pin down Lieutenant Sutton's men with fire so the assault groups could reach the trench line. The Reds were firing captured United States Browning automatic rifles, machine guns, and Garand rifles.

Master Sgt. Tyler Collins, of Malone, Fla., stood bolt upright and picked off seven Communists. A bazooka man killed 10 with a single shell. But the Reds kept coming for more than 11 hours. Finally at 7 p. m. there was a break.

"We have licked them," the GI's told each other jubilantly.

But 2 hours later the snarl of small arms began again from the opposite ridge. There was no assault this time, just the continual bark of snipers' rifles through the long, frigid night.

#### REDS ATTACK ANEW AFTER HALT

At 6 a. m. Tuesday the Reds assaulted "Sutton Ridge." From the ridge opposite the center of the line came a fierce wall of fire.

A suicide enemy force struck up the slope against the left flank.

Lieutenant Sutton was not too worried about these two fronts—the massed firepower of United States artillery could hit there.

But from the hill on the right—masked from the guns by the other hills—the main force of the enemy was assaulting in the darkness. The Reds were coming down a precipitous slope, tying short fiber ropes on scrub pines and lowering themselves.

With flashing bayonets they burst into the strong point on the last of the three nipples on Lieutenant Sutton's ridge. The GI's there fought desperately. Later, in one fox hole, Lieutenant Sutton found two dead North Koreans and the body of the United States soldier who had killed them before he died.

Once inside the trenches the Reds turned the United States soldiers' own machine gun down the ridge line.

Pfc Elijah Whitley, of Toledo, Ark., replied with his Browning automatic rifle, silencing the machine gun. Along the ridge line Lieutenant Sutton and his men rolled hand grenades down the slope. In the breaking dawn they could see the Communists crumple and tumble down the slope and then see new men replace them. Bodies were strewn crazily on the slopes.

May I also call the attention of the House to the article in Collier's magazine, January 13, 1951, on Sgt. Arthur Dudley, of Florida:

#### FOURTH SQUAD, THIRD PLATOON

(By Bill Stapleton)

(Officers watching him in action called Sgt. Arthur C. Dudley "the best damn squad leader in Korea." And his men, American and Korean, had one thing in common; respect for their Negro sarge.)

KOREA.—Coming down from the Nineteenth Infantry Regiment's front-line positions on the bleak hill that rose behind the battalion command post, Sgt. (1c) Arthur Charles Dudley led the seven men into the farmyard. They had been visible for about 10 minutes. All walked with the tired step of the veteran infantryman. All were hunched against the bitter, stinging cold of the North Korea winter.

Sergeant Dudley was apologetic about the absence of Guido. He explained to the battalion commander: "We were diggin' in on the hill last night when the han' grenade that Guido had in his pocket went off. Guess it hit his shovel or something. Anyway, we got him evacuated and I think he's gonna be O. K. It didn't kill him. It jest tore up his leg some."

The other members of the squad watched Dudley intently as he talked. Obviously, the sergeant had won high respect and admiration from men who admire top leadership in a very tough profession.

Guido. Corp. Guido Schoentrup, aged 25, assistant squad leader, home town, Indianapolis, had been Sergeant Dudley's strong right arm. They all missed him.

#### A GARAND WITH MANY NOTCHES

Guido had been there when the legends began to grow about the now famous international squad, led by the deadliest of rifle marksmen—a Negro sergeant who could count at least 53 enemy dead on the butt of his Garand, and whom I heard referred to respectfully by war-weary senior officers as "the best damn squad leader in Korea."

Word of Sergeant Dudley and his international squad had first reached me at the Chongchon River front, where I was photographing combat operations for Collier's. The stories of the unit's achievements in action impressed me, of course. But there was more to it than that. It seemed to me their importance was inescapable: The squad was a heart-warming and dramatic

symbol of cooperation and mutual respect among freemen fighting for a common cause. I felt I had to find them; know them. That's how I came to be waiting at the command post.

Sergeant Dudley saluted his battalion officer, turned to his squad, and said in a soft southern voice that could also crackle with military authority when necessary, "Let it rest, children." He motioned them to a bonfire in the corner of the farmyard.

The squad—Jennings, Smith, Jesse, Sparks, Jones, Chief, and Miller—rested.

For the record, the full names: Corp. Elmer D. Jennings, 18, of Hillsville, Va.; Corp. Clifford H. Smith, 20, of Detroit, Mich.; Pvt. Kim Sung (Jesse) Duk, 19, of Haman, Korea; Pfc Carlton F. Sparks, 18, of Marion, N. C.; Pvt. Un Kae (Jones) Pyong, 22, of Taegu, Korea; Pvt. Im Chong (Chief) Myung, 28, of Taegu, Korea, and Pfc James H. Miller, 19, of Iron City, Ga.

Heavy artillery—big stuff, outgoing—crumped into the nearby enemy country, but the front was quiet. A pig in the farmyard rooted noisily and one of the squad threw a rock at him.

Sergeant Dudley thumbed through a short personal record of his little outfit, the smallest unit of command in the Army.

His record of the lives of his men was written neatly enough on a page in the center fold of a parachutist's logbook. The book, picked up off the ground at Fort Benning, Ga., last year, was small enough to fit in the corner of Dudley's wallet.

Some of the names were misspelled.

A name, Pfc Frank Brandt, carried the notation—with ROK's. A name, Pfc Herschel Wallingham—gone to platoon. A name, Pvt. Tony Ramirez—bad feet, transferred.

The squad, in such quiet moments, didn't talk about the war, the United Nations or the big picture. They didn't care.

They remembered, instead, that Sergeant Dudley owed the squad a Coke a day for every day that the war lasted beyond September 19. Dudley had predicted the war would be over by then and they'd all go back to Japan. The Coke bet was important. They needed him about it, in wry humor.

As they spoke of getting back to Japan, as some might speak of getting back to the United States, these cold, weary men pointed up their occasional terrible homesickness for security and peace. Japan was closer.

Dudley invited everyone to Florida after the war to bask in the warm sunshine near his home at Warrington, near Pensacola. Even the Korean boys understood what this talk meant and they smiled in appreciation.

Twenty-eight-year-old Arthur C. Dudley entered service at Camp Blanding, Florida, October 7, 1942. He was a draftee, leaving a job in a paper pulp mill at Marianna, Fla. He was assigned to Camp Hood, Texas, for training with the armored forces and sailed for Europe with the Eight Hundred and Twenty-seventh Tank Destroyer Battalion. He served in France, Germany, and Austria. After three re-enlistments, he was a career soldier, intending to become an ordnance expert.

But in Korea, shivering in the bone-chilling winds that whistled out of Manchuria 60 miles away, he thought a lot of home, his wife, Hattie, and their two daughters, Yvonne and Sheila, aged 4 and 5 years.

Private First Class Miller, youngest of the squad and assistant BAR gunner, was very apparently proud of his leader.

"Tell 'em how you picked off that gook at that long range, Sergeant Dudley." He turned to the rest of the squad. Chief grinned in appreciation.

#### DUDLEY'S VERSION OF THE SHOOTING

The squad leader shifted his seat around the fire to include all of the group:

"Like I've told you people before, know your rifle. It wasn't too much. It was

pretty long range. I fired once, noticed where the dust kicked up near this guy, then I raised my sights a hair and got him. I don't know where it hit him, but it killed him."

They measured it later. The range was 1,300 yards. (According to the Army, the rifle is accurate up to 1,200 yards.) Maybe it was easy for a sharpshooting hunter who used to strike matches with a .22 when he was 11 years old.

Corporal Jennings, the bazookaman, chimed in, saying, "The sergeant doesn't ever say much."

The rest of the men nodded slowly, their heads bobbing under steel helmets blackened by use in heating water and cooking.

"That's the truth," said Corporal Smith. "He never does say much."

The Department of the Army said it for Sergeant Dudley in General Orders, No. 110, dated October 11, 1950. They awarded him the Distinguished Service Cross for extraordinary heroism.

Headquarters Eighth Army gave him the medal, the Nation's second highest military award, in recognition of his services during the action at Ch'ang-nyong. The action took place over a 5-day period, August 2-7. Dudley, a new replacement for Baker Company, first joined the unit on the 3d of August, reporting in during the heat of the battle.

During fighting at the Naktong River, Sergeant Dudley personally eliminated 50 enemy riflemen, after first exposing himself, to draw fire.

The Army, in military language, says, "Men were exhausted and were subject to harassing fire, particularly from enemy snipers and automatic weapons. The company was at half strength, having taken severe casualties over a period of weeks."

Dudley was also commended for his action on August 7 when he unjammed a machine gun for a worried gunner, again under heavy enemy fire. Later the same day, he was wounded and evacuated, under protests from Dudley that he be allowed to stay with his squad.

#### THE SERGEANT IS WOUNDED

Sergeant Dudley was hit—mortar fragments in the right leg and arm—and was hospitalized for 12 days, after which he immediately rejoined his unit.

That was where most of the squad caught it. They all spoke of the battle positions there as "the Notch."

Smith got knocked flat and was later hospitalized for concussion from another mortar shell.

Miller watched in some amazement as the bipod legs of his automatic rifle were shot away during one frenzied charge by the enemy.

A boy by the name of Oldmaker or Oldmeyer from Indiana got knocked out by blast concussion and didn't rejoin the squad. No one remembered his first name.

And, the squad remembered, a Spanish kid from Texas got killed outright from a sniper's bullet.

"Hand grenades flew like baseballs," Jennings recalled.

Just then a jeep courier whizzed into the command post and two bundled-up riders hurried into the thatched farmhouse. A field telephone nearby rang and the soldier who answered it said "Doughboy Red."

We couldn't hear the conversation.

Sergeant Dudley picked up again. "I came out here originally as a replacement soldier for the Twenty-fifth Division, but we got kinda mixed up and the Twenty-fourth needed the replacements quicker, I guess. So we came here."

The sergeant paused to listen to Jennings and Sparks argue over where they had been.

Miller said, "We could tell you better if we could remember some of these little old towns, but most of 'em end in Yong or Dong,



and how can you remember anything from that?"

He stopped talking to accept a roasted cornucop from Jesse, the Korean ammunition carrier, and began to munch it.

The South Koreans assigned to the squad never spoke of one another by their right, or native names. Instead, they used the nicknames given them by the Americans, even when talking among themselves.

The conversation on the field telephone was terminated by the soldier, who said, "Okay, I'll tell him."

Sergeant Dudley said, "You know this figure of 53 dead gooks? Well, I have a quota of 75. Me and a boy named Gant in Charlie Company got a bet on. I'm way ahead of him now, but maybe I'll fill my quota before this war's over."

"These Chinese boys we're running up against are pretty good fighters. You can't see them. They take advantage of all the cover and they fight like real trained soldiers, not like the North Koreans."

Chief spat into the fire.

Jennings spoke up: "We've got a pretty wonderful squad here and we couldn't have a much better leader than what we have. He always tells the new guys that we're like a chain and that we aren't any better than our weakest link. We always dig our fox holes that way. Like a chain, in a way."

Sparks said it should be put in the story that Sergeant Dudley didn't go to sleep some nights until he was sure the squad was O. K.

The interview time was going fast.

#### THEY TALK MOSTLY OF THEIR FAMILIES

Sergeant Dudley stood up and so did his squad. "We ain't got much more to say. Usually we jest sit around and talk about our families. We don't know a lot about this war."

He picked up his rifle and walked out on the pathway to the hills. Pfc. Carlton Sparks, of Marion, N. C., helped Pvt. Un Kae Pyong, of Taegu, Korea, put on his pack. The rest of the squad quietly, almost automatically, fell into a line.

Sparks said, "We don't worry about talking to the Korean guys. Chief has a list of words we use most and he's studying on it."

Everyone looked at Sergeant Dudley. "Let's move out," he said softly and they swung down the path, away from the farmyard and toward the frowning hill. The artillery started up again.

Away from the command post, to the left, was a battered cornfield and the line stopped there to wave back. You could see Sergeant Dudley plainly, even though he was at the head of the small column. He was standing on something and his face was outlined against the whitening cornstalks. He stood out clearly.

Now, I not only want to call attention to the bravery of these men and their troops and others unknown, but I want to say that I believe effective action should be taken to see that a Congressional Medal of Honor is issued to either one or all three of these highly praised heroes.

I further want to point out that Lieutenant Wynn, of North Carolina, and Sergeant Dudley, of Florida, were the officers in charge of mixed groups of Negro and white troops. Segregation is vanishing in the Armed Forces.

Before June 25, the Korean conflict, my aim was the abolition of segregation in the Armed Forces, and my record for 6 years substantiates that, but now we are at war and we must win. We must not give aid and comfort to our enemies, and on the other hand we must not lose

any vestige of democracy that we have already won. In fact, we must go forward.

Personally, during this session of Congress, I intend to press for all civil-rights bills and intend to fight, by the way of amendments, for increased democracy on the home front. I intend to support during this war every single piece of legislation aimed at victory for our way of life. For the duration only, I will not offer any antisegregation bills as amendments to bills pertaining to the Military Establishment as long as progress continues and there are no violations of the order abolishing segregation.

I leave all this now in the hands of the Commander in Chief, our President, Mr. Truman. He can by Executive order abolish any form of segregation that may still be left or any that does creep out. However, if there are any flagrant abuses, if there are any cases where segregation and discrimination do come to the forefront, then I will fight the slightest injustice and if this injustice continues as a pattern, then I will be forced to come back to this floor and again raise the issue. I wish to serve notice, however, that I will in every way fight a universal military training bill because I am against it for many reasons, not only from the standpoint of establishing a permanent pattern of segregation, but from other standpoints as well.

I want to finally conclude with a letter which came to me from Mr. James Evans, the civilian assistant to the Secretary of Defense, and I think that this will help shape up our entire problem.

(The letter is as follows:)

OFFICE OF THE SECRETARY OF DEFENSE,  
Washington, D. C., January 10, 1951.  
HON. ADAM CLAYTON POWELL, JR.,  
House of Representatives.

DEAR MR. POWELL: We are furnishing herewith an account of the heroic service of Lt. Harry E. Sutton, of the Bronx, and his platoon on the Hungnam beachhead.

We are also enclosing press releases of current Medal of Honor awards with the thought that these may assist with the representations which you propose to make in asking that the Medal of Honor be bestowed upon Lieutenant Sutton.

I am advised by some of our high-ranking officers, who are thoroughly familiar with the matter under consideration, that nothing in these commendations surpasses the achievements of Lieutenant Sutton. It is to be noted that he is alive where many others have lost their lives in undertaking similar heroic actions.

We greatly need an outstanding, live, active Negro hero to symbolize the heroic sacrifices and accomplishments of all our men in the Far East. Lieutenant Sutton and his outfit are outstanding in this regard. Permit us to commend for your attention also the achievements of Sgt. (1c) Arthur Charles Dudley as set forth in the January 13, 1951, issue of Collier's magazine, pages 9-11.

Permit me to treat further the seriousness of our need in this connection. I am enclosing copies of an extract from the CONGRESSIONAL RECORD of the Eighty-first Congress which pertains to a statement by Congressman LANE, of Massachusetts, on some of the exploits of the Twenty-fourth Infantry Regiment. Following this account, the Twenty-fourth achieved further distinction in spearheading a successful movement to the east and west and north. At

the same time, there were splendid accounts of outstanding achievement on the part of our officers and men who were functioning in integrated units and otherwise performing their military duties without regard to race.

On the alert as you always are, you can greatly serve our men in the service by taking up where others left off months ago and restore Lieutenant Sutton and all who he typifies to their rightful place before those who so greatly need bases for encouragement and inspiration.

I would assume that you will receive additional specific aid in this matter through the Chief of Legislative Liaison, Department of the Army, but I hope that you will call upon us for such further details as you may consider essential.

Sincerely yours,

JAMES C. EVANS,  
Civilian Assistant to the  
Secretary of Defense.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. HOFFMAN of Michigan. Did the gentleman cite that instance where the Negro flier was shot down, and was seen in the plane by a white man who saved him?

Mr. POWELL. I do not think I have that item, but I would be happy to include that with my remarks.

Mr. HOFFMAN of Michigan. That shows there is not anywhere near as much discrimination when the chips are down as some folks seem to think.

Mr. POWELL. That is what I am pointing out in my speech. The War Department records show that Negro and white troops are fighting side by side in Korea, some commanded by Negroes and some by whites in every phase of our Armed Forces.

Mr. KILDAY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

#### SHORT TITLE

Sec. 1. This act may be cited as the "Air Force Organization Act of 1951."

#### TABLE OF CONTENTS

Sec. 1. Short title of act.

Sec. 2. Definitions.

Title I. Secretary, Under Secretary, and Assistant Secretaries of the Air Force.

Title II. Chief of Staff and the Air Staff.

Title III. Composition and organization of the Air Force.

Title IV. Repeals, amendments, and saving provisions.

#### DEFINITIONS

Sec. 2. As used in this act—

(a) The terms "United States Air Force" and "Air Force" are synonymous and mean the United States Air Force established by the National Security Act of 1947, and said terms include the components and persons prescribed in section 301 of this act.

(b) The term "members of the Air Force" means all persons appointed, enlisted, or inducted in, or transferred to, any of the components of the Air Force; all persons appointed, enlisted, or inducted in, or transferred to the Air Force without specification of component; and all persons serving as members of the Air Force under call or conscription under any provision of law. The term "officers of the Air Force" means all members of the Air Force appointed to and

holding a commissioned or warrant officer grade. The term "airmen" is synonymous with "enlisted members" and means all members of the Air Force in any enlisted grade.

(c) The term "Air Force Establishment" means all commands, organizations, forces, agencies, installations, and activities, including the Department of the Air Force, all members of the Air Force, all property of every kind and character—real, personal, and mixed—and all civilian personnel, under the control or supervision of the Secretary of the Air Force.

(d) The term "Department of the Air Force" means the executive part of the Air Force Establishment at the seat of government.

#### TITLE I—SECRETARY, UNDER SECRETARY, AND ASSISTANT SECRETARIES OF THE AIR FORCE

SEC. 101. (a) The Secretary of the Air Force shall be responsible for and shall have the authority necessary to conduct all affairs of the Air Force Establishment, including, but not limited to, those necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Air Force, including research and development, and such other activities as may be prescribed by the President or the Secretary of Defense as authorized by law. There are authorized to be appropriated such sums as may be necessary to conduct the affairs of the Air Force Establishment.

(b) The Secretary of the Air Force may assign to the Under Secretary of the Air Force and to the Assistant Secretaries of the Air Force such of his functions, powers, and duties as he may consider proper. Officers of the Air Force shall report regarding any matters to the Secretary, Under Secretary, or either Assistant Secretary of the Air Force, as the Secretary of the Air Force may prescribe.

(c) The Secretary of the Air Force or, as he may prescribe, the Under Secretary of the Air Force or either Assistant Secretary of the Air Force, shall, in addition to other duties, be charged with supervision of the procurement activities of the Air Force Establishment, of plans for the mobilization of materials and industrial organizations essential to wartime needs of the Air Force, and of other business pertaining thereto.

(d) The Secretary of the Air Force may make such assignments and details of members of the Air Force and civilian personnel as he thinks proper, and may prescribe the duties of the members and civilian personnel so assigned; and such members and civilian personnel shall be responsible for, and shall have the authority necessary to perform, such duties as may be so prescribed for them.

(e) The Secretary of the Air Force may cause to be manufactured or produced at Government arsenals, depots, or Government-owned factories of the United States all those supplies needed by the Air Force which can be manufactured or produced upon an economical basis at such arsenals, depots, or factories.

SEC. 102. (a) There shall be in the Department of the Air Force an Under Secretary of the Air Force and two Assistant Secretaries of the Air Force, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law.

(b) In case of the death, resignation, removal from office, absence, or disability of the Secretary of the Air Force, the officer of the United States who is highest on the following list, and who is not absent, or disabled, shall, until the President directs some other person to perform such duties in accordance with section 179, Revised Statutes (5 U. S. C. 6), perform his duties until a successor

is appointed, or until such absence or disability shall cease—

(1) the Under Secretary of the Air Force;

(2) the Assistant Secretaries of the Air Force in the order fixed by their length of service as such; and

(3) the Chief of Staff.

(c) If the Chief of Staff by reason of succession assumes, or if he or any other officer of the Air Force is designated in accordance with section 179, Revised Statutes (5 U. S. C. 6), to perform the duties of the Secretary of the Air Force, section 1222, Revised Statutes (10 U. S. C. 576), shall not apply to him by reason of his temporarily performing such duties.

#### TITLE II—CHIEF OF STAFF AND THE AIR STAFF

SEC. 201. (a) There shall be in the Department of the Air Force a staff, which shall be known as the Air Staff, and which shall consist of—

(1) the Chief of Staff;

(2) a Vice Chief of Staff;

(3) not to exceed five Deputy Chiefs of Staff; and

(4) such other members of the Air Force and such civilian officers and employees in or under the jurisdiction of the Department of the Air Force as may be assigned or detailed under regulations prescribed by the Secretary of the Air Force.

(b) The Air Staff shall be organized in such manner and its members shall perform such duties and bear such titles, as the Secretary of the Air Force may prescribe.

(c) Except in time of war or national emergency hereafter declared by the Congress, not more than 2,800 officers of the Air Force shall be detailed or assigned to permanent duty in the Department of the Air Force: *Provided*, That the numerical limit prescribed in this subsection shall not apply upon a finding by the President that an increase in the number of officers in the Department of the Air Force is in the national interest: *Provided further*, That the Secretary of the Air Force shall report quarterly to the Congress the number of officers in the Department of the Air Force and the justification therefor.

(d) A commissioned officer of the Air Force now or hereafter detailed or assigned to duty in the Department of the Air Force shall serve for a tour of duty not to exceed 4 years, except that such tour of duty may be extended beyond 4 years upon a special finding by the Secretary of the Air Force that the extension is necessary in the public interest. Upon relief from such duty no such officer shall again be detailed or assigned within 2 years to duty in the Department of the Air Force except upon a like finding by the Secretary of the Air Force. This subsection shall not take effect until 1 year after the enactment of this act, and shall be inapplicable in time of war or national emergency hereafter declared by the Congress.

SEC. 202. The Chief of Staff shall be appointed by the President, by and with the advice and consent of the Senate, from the general officers of the Air Force, to serve during the pleasure of the President, but no persons shall serve as Chief of Staff for a term of more than 4 years unless reappointed by the President, by and with the advice and consent of the Senate. The Chief of Staff, while holding office as such, shall have the grade of general, without vacation of his permanent grade in the Air Force, and shall take rank as prescribed by law. He shall receive the compensation prescribed by law and shall be counted as one of the officers authorized to be serving in grade above lieutenant general under the provisions of the Officer Personnel Act of 1947 (61 Stat. 886), as amended.

SEC. 203. (a) The Vice Chief of Staff and the Deputy Chiefs of Staff shall be general

officers of the Air Force detailed to those positions. In case of a vacancy in the office or the absence or disability of the Chief of Staff, the Vice Chief of Staff or the senior Deputy Chief of Staff, who is not absent or disabled, shall, unless otherwise directed by the President, perform the duties of Chief of Staff until his successor is appointed or such absence or disability shall cease.

(b) In case of a vacancy in the position, or the absence or disability, of the Vice Chief of Staff, the senior Deputy Chief of Staff who is not absent or disabled shall, unless otherwise directed by the Secretary of the Air Force, perform the duties of the Vice Chief of Staff until his successor is designated or such absence or disability shall cease.

SEC. 204. (a) The Chief of Staff shall have supervision of all members and organizations of the Air Force, shall perform the duties prescribed for him by the National Security Act of 1947, as amended, and by other laws, and shall perform such other military duties not otherwise assigned by law as may be assigned to him by the President.

(b) The Chief of Staff shall preside over the Air Staff. Subject to the provisions of section 101 of this act, and of subsection (c) of this section, he shall be directly responsible to the Secretary of the Air Force for the efficiency of the Air Force, its state of preparation for military operations, and plans therefor. He shall transmit to the Secretary of the Air Force the plans and recommendations of the Air Staff, shall advise him in regard thereto, and, upon the approval of such plans or recommendations by the Secretary of the Air Force, he shall act as the agent of the Secretary of the Air Force in carrying the same into effect.

(c) Except as otherwise prescribed by law, the Chief of Staff shall perform his duties under the direction of the Secretary of the Air Force.

SEC. 205. (a) The Air Staff shall render professional aid and assistance to the Secretary of the Air Force, the Under Secretary of the Air Force, the Assistant Secretaries of the Air Force, and the Chief of Staff.

(b) It shall be the duty of the Air Staff—

(1) to prepare such plans for the national security, and the use of the Air Force for that purpose, both separately and in conjunction with land and naval forces, and for recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing the Air Force, as will assist the execution of any power vested in, duty imposed upon, or function assigned to the Secretary of the Air Force or the Chief of Staff;

(2) to investigate and report upon all questions affecting the efficiency of the Air Force and its state of preparation for military operations;

(3) to prepare detailed instructions for the execution of approved plans and to supervise the execution of such plans and instructions;

(4) to act as the agents of the Secretary of the Air Force and the Chief of Staff in coordinating the action of all organizations of the Air Force Establishment; and

(5) to perform such other duties not otherwise assigned by law as may be prescribed by the Secretary of the Air Force.

#### TITLE III—COMPOSITION AND ORGANIZATION OF THE AIR FORCE

SEC. 301. The United States Air Force shall consist of the Regular Air Force, the Air Force Reserve, the Air National Guard of the United States and the Air National Guard while in the service of the United States; and shall include persons inducted, enlisted, or appointed without specification of component in the Air Force, and all persons serving in the Air Force under call or conscription under any provision of law, includ-



ing members of the Air National Guard of the several States, Territories, and the District of Columbia when in the service of the United States pursuant to call as provided by law.

SEC. 302. (a) The Regular Air Force is that component of the Air Force which consists of persons whose continuous service on active duty in both peace and war is contemplated by law, and of persons who are retired members of the Regular Air Force.

(b) The Regular Air Force shall include the commissioned officers, warrant officers, and airmen holding appointments or enlisted in the Regular Air Force as now or hereafter provided by law, the retired commissioned officers, warrant officers, and airmen of the Regular Air Force, and such other persons as are now or may hereafter be specified by law. No person who is now a member of the Regular Air Force, active or retired, shall, by reason of the enactment of this act, be deprived of his membership in the Regular Air Force.

SEC. 303. The Air Force Reserve referred to in the Army and Air Force Authorization Act of 1949 shall be a Reserve component of the Air Force to provide a reserve for military service, and shall consist of all persons appointed or enlisted therein, or transferred therein, as now or hereafter provided by law.

SEC. 304. The Air National Guard of the United States referred to in the Army and Air Force Authorization Act of 1949 shall be a Reserve component of the Air Force to provide a reserve for military service, and shall consist of all federally recognized units and organizations of the Air National Guard of the several States, Territories, and District of Columbia, and of all personnel of the Air National Guard of the several States, Territories, and District of Columbia who shall have been appointed or enlisted in the Air National Guard of the United States, or who shall have been temporarily extended Federal recognition by the Secretary of the Air Force pursuant to section 530 of the Career Compensation Act of 1949 (63 Stat. 802).

SEC. 305. The Air National Guard referred to in the Army and Air Force Authorization Act of 1949, which consists of those units, organizations, and personnel of the National Guard (as that term is defined in section 71 of the National Defense Act, as amended) for which Federal responsibility has been vested in the Secretary of the Air Force or the Department of the Air Force pursuant to law, shall be, while in the service of the United States, a component of the Air Force.

SEC. 306. All persons inducted in or holding appointments or enlistments in the Air Force or transferred therein pursuant to the National Security Act of 1947, as amended, on the effective date of this act, shall be deemed, without further action, to hold their military status in the corresponding components set forth in section 301 of this act or in the Air Force without specification of component and without specification of any arm, branch, service, or corps.

SEC. 307. (a) Qualified members of the Air Force shall be designated to perform medical, dental, medical service, veterinary, nursing, women's medical specialist, judge advocate, chaplain, or other duties requiring special training or experience, under regulations prescribed by the Secretary of the Air Force. Qualifications for designations under this subsection shall be prescribed by the Secretary of the Air Force in conformity with qualifications specified in any of the following statutory provisions for the respective types of duties: *Provided*, That there shall be no separately constituted or administered arms, branches, services, or corps in the Air Force or any component thereof:

- (1) Act of August 5, 1947 (ch. 494, title II, sec. 201; 61 Stat. 777 (10 U. S. C. 91a, 121a)).
- (2) Act of April 23, 1907 (ch. 150, sec. 4, 35 Stat. 67 (10 U. S. C. 93)).

- (3) Act of April 16, 1947 (ch. 38, title I, sec. 101 (c); 61 Stat. 41, 10 U. S. C. 166 (c)).

- (4) Act of April 16, 1947 (ch. 38, title I, sec. 102 (c); 61 Stat. 42, 10 U. S. C. 166a (c)).

- (5) Act of March 2, 1899 (ch. 352, sec. 7, 30 Stat. 979; 10 U. S. C. 232).

- (6) Act of April 16, 1947 (ch. 38, title I, sec. 116; 61 Stat. 46, 10 U. S. C. 376).

- (7) Act of August 7, 1947 (ch. 512, title V, sec. 506; 61 Stat. 890, 10 U. S. C. 506c).

- (8) Act of May 16, 1950 (ch. 186, sec. 1; 64 Stat. 160, 10 U. S. C. 166b-1, 2).

(b) Original appointments made with a view to designation for the performance of duties under subsection (a) of this section shall be in the grades prescribed in any of the following statutory provisions for the respective types of duties:

- (1) Act of August 5, 1947 (ch. 494, title II, sec. 201; 61 Stat. 777, 10 U. S. C. 91a, 121a).

- (2) Act of April 16, 1947 (ch. 38, title I, sec. 101 (c); 61 Stat. 41, 10 U. S. C. 166 (c)).

- (3) Act of April 16, 1947 (ch. 38, title I, sec. 102 (c); 61 Stat. 42, 10 U. S. C. 166a (c)).

- (4) Act of April 16, 1947 (ch. 38, title I, sec. 104; 61 Stat. 43, as amended May 16, 1950; ch. 186, sec. 3 (b); 64 Stat. 160, 10 U. S. C. 166c).

- (5) Act of April 16, 1947 (ch. 38, title I, sec. 105; 61 Stat. 43, 10 U. S. C. 166d).

- (6) Act of April 16, 1947 (ch. 38, title I, sec. 116; 61 Stat. 46, 10 U. S. C. 376).

- (7) Act of August 7, 1947 (ch. 512, title V, sec. 506; 61 Stat. 890, 10 U. S. C. 506c).

- (8) Act of May 16, 1950 (ch. 186, sec. 1, 2; 64 Stat. 160, 10 U. S. C. 166b-1, 2, d-1).

(c) Members of the Air Force designated to perform duties under subsection (a) of this section shall, while performing such duties, have the benefits and be subject to the conditions provided by the following statutory provisions, insofar as the same are presently in effect, relating to their respective types of duties and components:

- (1) Act of August 5, 1947 (ch. 494, title II, sec. 201; 61 Stat. 777, 10 U. S. C. 91a, 121a).

- (2) Act of April 23, 1908 (ch. 150, sec. 5; 35 Stat. 67, 10 U. S. C. 101, 102).

- (3) Act of March 3, 1909 (ch. 252, 35 Stat. 737, 10 U. S. C. 103).

- (4) Act of June 3, 1916 (ch. 134, sec. 24c, as added June 4, 1920; ch. 227, sec. 24; 41 Stat. 774, and amended August 7, 1947; ch. 512, title V, sec. 507 (d) (1); 61 Stat. 894, 10 U. S. C. 125, 143a).

- (5) Act of April 16, 1947 (ch. 38, title I, sec. 105; 61 Stat. 43, as amended May 16, 1950; ch. 186, sec. 1, 2, 64 Stat. 160, 10 U. S. C. 166d).

- (6) Act of April 16, 1947 (ch. 38, title I, sec. 106; 61 Stat. 44, 10 U. S. C. 166e).

- (7) Act of April 16, 1947 (ch. 38, title I, sec. 107; 61 Stat. 44, as amended May 16, 1950; ch. 186, sec. 3 (c), 64 Stat. 160, 10 U. S. C. 166f).

- (8) Act of April 16, 1947 (ch. 38, title I, sec. 108 (a); 61 Stat. 44, as amended May 16, 1950; ch. 186, sec. 3 (d); 64 Stat. 160, 10 U. S. C. 166g (a)).

- (9) Act of April 16, 1947 (ch. 38, title I, sec. 109; 61 Stat. 45, 10 U. S. C. 166h).

- (10) Act of April 16, 1947 (ch. 38, title I, sec. 110; 61 Stat. 46, as amended May 16, 1950; ch. 186, sec. 3 (f); 64 Stat. 160, 10 U. S. C. 166i).

- (11) Revised Statutes, section 1122 (10 U. S. C. 235).

- (12) Act of June 24, 1948 (ch. 632, sec. 1; 62 Stat. 650, 10 U. S. C. 291c-1).

- (13) Act of August 7, 1947 (ch. 512, title V, sec. 506 (c); 61 Stat. 890, 10 U. S. C. 506c (c)).

- (14) Act of August 7, 1947 (ch. 512, title V, sec. 505; 61 Stat. 888, 10 U. S. C. 559).

- (15) Act of August 7, 1947 (ch. 512, title V, sec. 517; 61 Stat. 909, 10 U. S. C. 559h).

- (16) Act of August 7, 1947 (ch. 512, title V, sec. 514 (d); 61 Stat. 902, 10 U. S. C. 941a (d)).

- (17) Act of May 29, 1928 (ch. 902, 45 Stat. 996, as amended January 29, 1938; ch. 12, sec. 2; 52 Stat. 8, 10 U. S. C. 953a).

- (18) Act of June 29, 1948 (ch. 708, title II, sec. 203 (d); 62 Stat. 1035, 10 U. S. C. 1003).

- (19) Act of October 12, 1949 (ch. 681, title II, sec. 203; 63 Stat. 809, 37 U. S. C. 234).

(d) Separate promotion lists are authorized, within the discretion of the Secretary, for each of the categories of duties to which members of the Air Force are designated under section 307 (a) of this act. Seniority and numbers in the several grades on the promotion lists so established under this section shall be as prescribed by the Secretary of the Air Force in accordance with the provisions of sections 505 (b) and 505 (d) of the Officer Personnel Act of 1947 (61 Stat. 838; 10 U. S. C. 559 (b), 559 (d)): *Provided*, That such provisions of said section 505 (b) as relate to medical, dental, and chaplain officers shall, for the purposes of this section, also be applicable to officers designated to perform judge advocate duties in the Air Force.

SEC. 308. (a) There shall be within the Air Force—

- (1) the following major air commands:
    - (i) an air defense command;
    - (ii) a strategic air command; and
    - (iii) a tactical air command;
  - (2) such other commands, forces, and organizations as may from time to time be established by the Secretary of the Air Force.
- (b) For the duration of any war or national emergency hereafter declared by the Congress, the Secretary of the Air Force may establish new major commands in lieu of, or discontinue or consolidate the major commands enumerated in, subsection (a) (1) of this section.

SEC. 309. For Air Force purposes, the United States of America, its Territories and possessions, and other territory in which elements of the Air Force may be stationed or operate, may be divided into such areas as directed by the Secretary of the Air Force; and officers of the Air Force may be assigned to command of the Air Force activities, installations, and personnel in such areas. In the discharge of the Air Force's functions or such other functions as may be authorized by other provisions of law, officers of the Air Force so assigned shall perform such duties and exercise such powers as the Secretary of the Air Force may prescribe.

SEC. 310. (a) There shall be in the Air Force a Judge Advocate General who shall be appointed, subject to the provisions of the act of May 5, 1950 (64 Stat. 147; 50 U. S. C. 741), by the President, by and with the advice and consent of the Senate, for a term of 4 years, which term may be extended by the President at his discretion. Any such appointment may be terminated at any time by the President at his discretion. An officer heretofore or hereafter appointed as Judge Advocate General of the Air Force shall not be a chief of a branch, arm, or service within the meaning of section 513 of the Officer Personnel Act of 1947 (61 Stat. 901; 10 U. S. C. 559g) but he shall nevertheless, if he does not already hold a permanent appointment in the Regular Air Force in the grade of major general, be appointed by the President, by and with the advice and consent of the Senate, as a permanent major general in the Regular Air Force. The officer serving as Judge Advocate General on the effective date of this act shall, subject to the provisions of this section, continue to hold his appointment as Judge Advocate General and no reappointment of such officer as Judge Advocate General shall be required after the enactment of this act.

(b) The Secretary of the Air Force, the Judge Advocate General of the Air Force, and officers heretofore or hereafter designated as judge advocates shall be vested with

and shall exercise the same powers and duties with respect to the administration of military justice within the Air Force as are vested in the Secretary of the Army, the Judge Advocate General of the Army and judge advocates of the Army, respectively, with respect to the administration of military justice within the Army. The Judge Advocate General of the Air Force shall perform such other legal duties as may be directed by the Secretary of the Air Force.

#### TITLE IV—REPEALS, AMENDMENTS, AND SAVING PROVISIONS

SEC. 401. (a) The following laws and parts of laws are hereby repealed:

(1) The proviso of section 401 of the Army Organization Act of 1950 and all laws and parts of laws set forth in said section to the extent applicable to the Department of the Air Force or the Air Force Establishment and not heretofore repealed;

(2) Sections 1, 2, and 3 of the act of June 25, 1948 (62 Stat. 1014; 5 U. S. C. 627j-1): *Provided*, That such repeal shall not affect the existing applicability of the Articles of War to the Air Force and actions under such articles shall be enforced in the same manner and with the same effect as if this act had not been passed.

(b) Sections 246, 247, 248, and 249 of the act of June 24, 1948 (62 Stat. 643; 10 U. S. C. 61, 65, 62a, 61a), shall not be construed to be applicable to the Air Force.

(c) All other laws and parts of laws to the extent that they are inconsistent with the provisions of this act are hereby repealed.

SEC. 402. The National Security Act of 1947, as amended, is hereby amended by deleting the word "command" in section 208 (b) thereof and substituting in lieu thereof the word "supervision."

SEC. 403. All laws and parts of laws not inconsistent with the provisions of this act applicable to the Air Force Establishment, or to organizations, components or personnel thereof, whether so applicable by their terms or by operation of the National Security Act of 1947, as amended, shall continue in effect and shall be construed to apply to the Air Force Establishment and to the corresponding successive organizations, components, and personnel as set forth in this act.

SEC. 404. (a) Nothing in this act shall require the reappointment or redesignation of any person in the Air Force Establishment occupying a position or performing a duty as now prescribed by law.

(b) Except as otherwise expressly provided in this act, every power vested in and every duty imposed upon any officer or civilian, military, of the Air Force Establishment by any law, regulation, or order in force immediately prior to the effective date of this act, shall continue to be applicable to such officer and exercised and performed by such officer until the Secretary of the Air Force shall otherwise direct in accordance with the authority conferred upon him by this act.

SEC. 405. Except as provided in section 305, nothing contained in this act shall be construed to amend or repeal the provisions of law pertaining to the National Guard, the Air National Guard or the Chief of the National Guard Bureau.

SEC. 406. Under such regulations as may be prescribed by the Secretary of the Air Force, officers of the Air Force accountable for public moneys may intrust moneys to other officers of the Air Force for the purpose of having them make disbursements as their agents, and the officer to whom the moneys are intrusted, as well as the officer who intrusts the moneys to him, shall be held peculiarly responsible therefor to the United States.

SEC. 407. Except as provided in section 402 of this act, nothing in this act shall be construed as amending, repealing, limiting, enlarging, or in any way modifying any provision of the National Security Act of 1947, as amended.

SEC. 408. If any provision of this act or the application thereof to any person or circumstances be held invalid, the validity of the remainder of the act and of the application of such provisions to other persons and circumstances shall not be affected thereby.

Mr. KILDAY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and printed in the RECORD at this point and be subject to amendment at any point in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. There is one committee amendment, Mr. Chairman, which is at the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. KILDAY: On page 7, line 19, strike out the word "persons" and substitute in lieu thereof the word "person."

The committee amendment was agreed to.

The CHAIRMAN. Are there any other amendments? If not, under the rule the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BATTLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1726) to provide for the organization of the Air Force and the Department of the Air Force, and for other purposes, pursuant to House Resolution 88, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MAHON, Mr. NORRELL, Mr. TABER, and Mr. SCRIVNER (at the request of Mr. CANNON), for 1 day, on account of official business.

To Mr. BUDGE (at the request of Mr. MARTIN of Massachusetts), on account of illness in his family.

To Mr. CANFIELD (at the request of Mr. ARENDS), for January 24, 1951, on account of official business.

#### EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend the remarks he made under the 5-minute rule in Committee of the Whole, and to include letters from various veterans' organizations.

Mr. EVINS asked and was given permission to extend the remarks he made

in Committee of the Whole on the bill H. R. 1, and to include letters and other documents.

Mr. THOMPSON of Texas asked and was given permission to revise and extend the remarks he made in Committee of the Whole on the bill H. R. 1 by including a table and certain figures on life-insurance premiums.

Mr. DEMPSEY asked and was given permission to extend his remarks and include an article from the Washington Post of this morning.

Mr. BENNETT of Florida asked and was given permission to extend his remarks and include an editorial.

Mr. POWELL asked and was given permission to extend the remarks he made in Committee of the Whole on the bill H. R. 1, and to include three clippings from periodicals.

Mr. FURCOLO asked and was given permission to extend his remarks and include an address by Mr. James A. Farley.

Mr. DONOHUE asked and was given permission to extend his remarks and include an article.

Mr. STEFAN asked and was given permission to extend his remarks and include an editorial.

Mr. LEONARD W. HALL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include an editorial.

Mr. TALLE (at the request of Mrs. ROGERS of Massachusetts) was given permission to extend his remarks and include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a letter from a disabled American veterans' organization regarding the bill H. R. 1.

Mr. McDONOUGH asked and was given permission to extend his remarks in two instances, and in each to include an article.

Mr. HINSHAW asked and was given permission to extend his remarks and include an article.

Mr. PATTERSON asked and was given permission to extend his remarks.

Mr. HELLEER asked and was given permission to extend his remarks in five instances, and in each to include extraneous matter.

#### ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Thursday, January 25, 1951, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

114. A letter from the Secretary of the Army, transmitting a report of leases as of December 1, 1950, pursuant to Public Law 364, Eightieth Congress; to the Committee on Armed Services.

115. A letter from the Acting Attorney General, transmitting a letter relative to the case of Wacław Zaremba, file No. A-6018653 CR 28661, and requesting that it be withdrawn from those before the Congress and



returned to the jurisdiction of the Department; to the Committee on the Judiciary.

116. A letter from the Administrator, General Services Administration, transmitting certain reports for the calendar year 1950, for the disposal of certain records of the United States Government, pursuant to section 12 of an act approved July 7, 1943, as amended July 6, 1945 (57 Stat. 382; 59 Stat. 434); to the Committee on House Administration.

117. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated September 27, 1950, submitting a report, together with accompanying papers, on a cooperative beach erosion control study of Nantasket Beach, Mass.; this investigation was made under the provisions of the River and Harbor Act approved on July 3, 1930, as amended and supplemented; to the Committee on Public Works.

118. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 10, 1950, submitting a report, together with accompanying papers, on a review of reports on the Mississippi River between the Ohio and Missouri Rivers, harbor facilities in Horseshoe Lake near Granite City, Ill., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945; to the Committee on Public Works.

119. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 10, 1950, submitting a report, together with accompanying papers on a review of reports on New London Harbor, Conn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on November 30, 1945; to the Committee on Public Works.

120. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 10, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Maunabo River and Quebrada arena and tributaries, Puerto Rico, authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

121. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 10, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Opookta Creek, Attala County, Miss., for flood control and drainage, authorized by the Flood Control Act approved on July 24, 1946; to the Committee on Public Works.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 1980. A bill conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H. R. 1981. A bill to provide waiver of premiums on national service life insurance policies for certain disabled veterans; to the Committee on Veterans' Affairs.

By Mr. BENTSEN:

H. R. 1982. A bill to provide for the establishment of a veterans' hospital in south Texas; to the Committee on Veterans' Affairs.

By Mr. CLEMENTE:

H. R. 1983. A bill to amend title 28, United States Code, to require Federal grand and petit jurors to take an oath of allegiance, and for other purposes; to the Committee on the Judiciary.

By Mr. DAWSON:

H. R. 1984. A bill to amend the act of May 19, 1947 (61 Stat. 101); to the Committee on Expenditures in the Executive Departments.

By Mr. DELANEY:

H. R. 1985. A bill to amend the Civil Aeronautics Act of June 23, 1938, by providing for compensation for death by wrongful act in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. EVINS:

H. R. 1986. A bill to amend the Sherman and Clayton Acts to provide a uniform period of limitations within which treble-damage actions may be instituted under the antitrust laws; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 1987. A bill to amend title 28, United States Code, section 1332, to classify foreign corporations as citizens of States where they are doing business; to the Committee on the Judiciary.

H. R. 1988. A bill to limit the removal of civil actions from State to Federal courts; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 1989. A bill to amend the Career Compensation Act of 1949 to provide the maximum retirement pay for certain retired enlisted men for the period from July 1, 1942, through June 30, 1946, to the Committee on Armed Services.

H. R. 1990. A bill to amend Veterans Regulation No. 1 (a) to extend the period of presumption of service connection in the case of pulmonary tuberculosis from 3 to 7 years; to the Committee on Veterans' Affairs.

H. R. 1991. A bill to provide for the construction of flood-control and hydroelectric dams on the Red Lake River, Minn.; to the Committee on Public Works.

H. R. 1992. A bill to adjust the salaries of postmasters and supervisors of the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 1993. A bill to authorize, for a temporary period, the purchase by the Government of worsted fabric in amounts sufficient to maintain normal production and employment in the worsted-fabric industry, to promote the general national welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LIND:

H. R. 1994. A bill to designate the Tomb of the Unknown Soldier of the American Revolution; to the Committee on House Administration.

By Mr. SHELLEY:

H. R. 1995. A bill to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

By Mr. VAN ZANDT:

H. R. 1996. A bill to provide relief for certain officers of the Naval and Marine Corps Reserve; to the Committee on Armed Services.

By Mr. WITHROW:

H. R. 1997. A bill to adjust the salaries of postmasters and supervisors of the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. CROSSER:

H. R. 1998. A bill to amend section 25 of the Interstate Commerce Act so as to authorize the Interstate Commerce Commission to require certain common carriers by railroad to install and maintain communication systems and to establish and observe operating rules and regulations in connection therewith to promote safety of employees and travelers on railroads, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY:

H. R. 1999. A bill to amend the District of Columbia Teachers' Salary Act of 1947; to the Committee on the District of Columbia.

By Mr. JONAS:

H. R. 2000. A bill to amend the Selective Service Act of 1948 to eliminate the right of certain citizens of foreign countries residing in the United States to be relieved from liability for training and service; to the Committee on Armed Services.

By Mr. ALLEN of California:

H. R. 2001. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. ANFUSO:

H. R. 2002. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. BARING:

H. R. 2003. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. BENDER:

H. R. 2004. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. BENNETT of Florida:

H. R. 2005. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. BOGGS of Delaware:

H. R. 2006. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. BRYSON:

H. R. 2007. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. CHATHAM:

H. R. 2008. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. DAGUE:

H. R. 2009. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. DAVIS of Georgia:

H. R. 2010. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. DEVEREUX:

H. R. 2011. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. DOLLIVER:

H. R. 2012. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.





By Mrs. BOSONE:

H. R. 2052. A bill to provide for the eradication and control of poisonous weeds, especially Halogeton glomeratus, on range and pasture lands in the several States and Territories, and for other purposes; to the Committee on Agriculture.

By Mr. HAGEN:

H. R. 2053. A bill to waive the charge for migratory-bird hunting stamps sold to members of the Armed Forces; to the Committee on Ways and Means.

H. R. 2054. A bill to amend the Selective Service Act of 1948 to require that at least one member of each local board and each appeal board shall be a veteran; to the Committee on Armed Services.

By Mr. HINSHAW:

H. R. 2055. A bill to provide for a national cemetery in the vicinity of Los Angeles in the State of California; to the Committee on Public Lands.

By Mr. CHIPERFIELD:

H. R. 2056. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. CORBETT:

H. R. 2057. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. FULTON:

H. R. 2058. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. MERROW:

H. R. 2059. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. AYRES:

H. R. 2060. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. SMITH of Wisconsin:

H. R. 2061. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. WEICHEL:

H. R. 2062. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. ZABLOCKI:

H. R. 2063. A bill to fix the personnel strength of the United States Marine Corps, and to make the Commandant of the Marine Corps a permanent member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. HAGEN:

H. J. Res. 128. Joint resolution providing for a revision of the regulations relating to the deferment from service in the Armed Forces of persons employed in agriculture, so as to assure essential production of food; to the Committee on Armed Services.

By Mr. McCORMACK:

H. J. Res. 129. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1951, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig.

Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. J. Res. 130. Joint resolution proposing an amendment to the Constitution of the United States relating to the qualifications of electors; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 131. Joint resolution to provide for the continuation of operations under certain mineral leases issued by the respective States covering submerged lands of the Continental Shelf, to encourage the continued development of such leases, to provide for the protection of the interests of the United States in the oil and gas deposits of said lands, and for other purposes; to the Committee on the Judiciary.

By Mr. RILEY:

H. J. Res. 132. Joint resolution relating to peanut acreage allotments under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. BATTLE:

H. Con. Res. 45. Concurrent resolution to favor a Pacific Pact and United States participation therein; to the Committee on Foreign Affairs.

By Mr. PATTERSON:

H. Con. Res. 46. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MORGAN:

H. Con. Res. 47. Concurrent resolution to favor a Pacific Pact and United States participation therein; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Res. 94. Resolution authorizing printing of the History of the Committee on the Judiciary as a House document; to the Committee on House Administration.

H. Res. 95. Resolution authorizing the Committee on the Judiciary to conduct studies and investigations relating to matters within its jurisdiction; to the Committee on Rules.

By Mr. HARRIS:

H. Res. 96. Resolution opposing the admission of Communist China to membership in the United Nations; to the Committee on Foreign Affairs.

By Mr. SABATH:

H. Res. 97. Resolution to amend paragraph (2) (c) of rule XI of the House (relating to the Committee on Rules); to the Committee on Rules.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, relating to the central Arizona project; to the Committee on Public Lands.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 2064. A bill for the relief of Dr. Ihor Sevcenko; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 2065. A bill for the relief of the Lacchi Construction Co.; to the Committee on the Judiciary.

By Mr. FRAZIER:

H. R. 2066. A bill for the relief of Ralph Dunsmore; to the Committee on the Judiciary.

By Mr. GILLETTE:

H. R. 2067. A bill for the relief of Vesther W. Ash; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 2068. A bill for the relief of Sook Kat; to the Committee on the Judiciary.

H. R. 2069. A bill for the relief of the Reverend Daisuke Kitagawa; to the Committee on the Judiciary.

By Mr. MCCARTHY:

H. R. 2070. A bill for the relief of Thomas Clayton Smith; to the Committee on the Judiciary.

By Mr. MCGUIRE:

H. R. 2071. A bill for the relief of Gerhard H. A. Anton Bebr; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 2072. A bill for the relief of Jeremiah Coleman; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 2073. A bill for the relief of Maj. Thomas H. Campbell; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 2074. A bill for the relief of Sister Concezione-Eleanora Sudano; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 2075. A bill for the relief of the A. C. Israel Commodity Co., Inc.; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 2076. A bill for the relief of Mr. Carlo Bardella; to the Committee on the Judiciary.

H. R. 2077. A bill for the relief of Basile Carras and Calliope Carras; to the Committee on the Judiciary.

H. R. 2078. A bill to provide for the sale of certain land in Kern County, Calif.; to the Committee on Public Lands.

By Mr. WIDNALL:

H. R. 2079. A bill for the relief of Aleksander Kupiszewski; to the Committee on the Judiciary.

H. R. 2080. A bill for the relief of Ardes Albacete Yanez; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

22. By Mr. GRAHAM: Petition of seven members of the Union Presbyterian Church, of Cannelton, Pa., urging that the serving and selling of alcoholic liquors and alcoholic beverages to service men and women be discontinued; to the Committee on Armed Services.

23. Also, petition of 13 members of the Mount Pleasant Presbyterian Church, of Darlington, Pa., urging that the serving and selling of alcoholic liquors and alcoholic beverages to service men and women be discontinued; to the Committee on Armed Services.

24. By Mr. MARSHALL: Petition of Mrs. Florence Shutter and others, of Burtrum and Swanville, Minn., protesting universal military training or lowering age of induction if alcoholic beverages are sold on or near military posts; to the Committee on Armed Services.

## SENATE

THURSDAY, JANUARY 25, 1951

(Legislative day of Monday, January 8, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Isaac Steenson, minister, Clarendon Presbyterian Church, Arlington, Va., offered the following prayer:

Grant, O God, that those who are to bear the burden of high responsibility in this place this day may draw strength from these moments of prayer. Thou art reaching out to help them; may they reach out to Thee to be helped.